Full-Value Model

Integrated report
2024

The Power to Build Tomorrow.

MIRAIT ONE

MIRAIT ONE Corporation

Value Creation Highlights

Expansion of Green Energy Business

The MIRAIT ONE Group is developing a new business portfolio centered on the focus area "MIRAI (future) domains" and a "Full-Value Model" to achieve sustainable enhancement of corporate value through our efforts towards our Purpose/Mission/Vision and addressing materiality.

Within this value creation framework, the "green energy business" is showing remarkable growth.

Green Energy

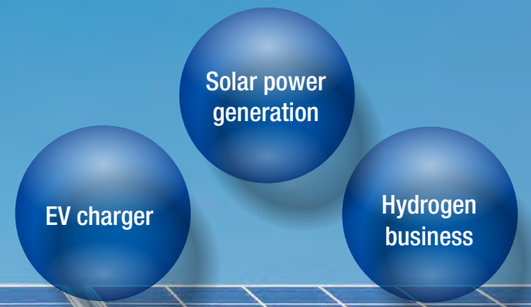
Initiatives for MIRAI (future) domains

Contribution to the realization of a decarbonized society through business activities

Aiming for net sales of over

30 billion yen in FY2026

for the entire green energy business



Growth forecast for the solar power generation market[*1] (Japan, third-party ownership model)

FY 2040 forecast

422.4 billion yen

(10.4 times the FY 2022 level)

Growth forecast for the secondary cell market for grid energy storage systems[*2] (Global)

2040 forecast

3,783.5 billion yen

(4.4 times the 2022 level)

*1 Source: Fuji Keizai, "Survey on the Renewable Energy Generation Systems and Services Market / Participating Companies 2024"
*2 Source: Fuji Keizai, "Future Outlook for Energy, Large Secondary Cells, and Materials 2023: ESS/Stationary Secondary Cell Sector Edition"







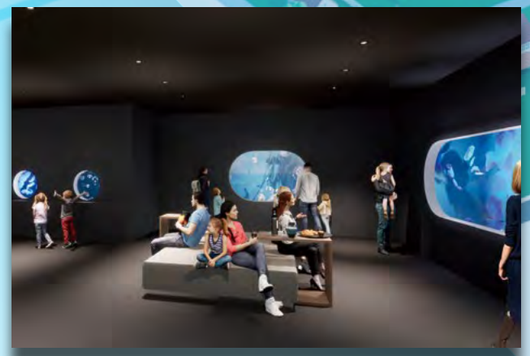


➡ P44 [Materiality] Realization of a decarbonized society through business activities

Acceleration of Urban and Regional Development Business

Another rapidly growing business for the MIRAIT ONE Group is the “urban and regional development business.” We are accelerating the expansion of this business by horizontally deploying successful cases of our “Full-Value Model” nationwide.
Furthermore, we will continue to expand our “Tripartite Approach” by strengthening intra-Group collaboration with Seibu Construction Co., Ltd. and Kokusai Kogyo Co., Ltd. (→see pages 11-16 “President’s Message”).









Initiatives for MIRAI (future) domains

Contribution to environmentally-friendly and resilient urban and regional development

Urban and Regional Development

Aiming for net sales of over

30 billion yen in FY2026

for the entire urban and regional development business

Growth forecast for the Smart City Platform market* (Japan)

2027 forecast

1,441.2 billion yen

(1.8 times the 2020 level)

➡ P47 [Materiality] Contribution to environmentally-friendly and resilient urban and regional development

*The total amount for cloud services, software services, sensors, cameras, etc., that provide common functions for cross-building services in cities and improve the efficiency of infrastructure management.

Source: Nomura Research Institute 2023

MIRAIT ONE

As humans, we have nearly achieved the future
of dreams in books, movies and manga.
Not because we dreamed it, but because we kept looking
and discovered ways to give it shape.
Our engineering technology, cultivated through infrastructure,
has the power to implement a bright future.
It's time to use this power to benefit society and build an ideal tomorrow.
We will contribute to the transformation of society more dynamically than ever,
implementing our technologies in multiple fields
from communications and disaster prevention
to education and urban development.

The Power
to Build Tomorrow. MIRAIT ONE

We envision a thriving future because
we are able to bring implementation into every aspect of life and business.

Purpose/Mission/Vision

Purpose

Co-creating an exciting future through challenges and technology.

Mission

Stakeholders in view

Meeting customer expectations and contributing to realize a prosperous society
Customers

Constantly refining our technology and business model to add more value
Shareholders and investors

Building and maintaining future social infrastructure with our partners
Partners

Creating an attractive corporate culture with a diverse and dynamic workforce
Employees

Continuing to be a trusted company through improved sustainability and strict compliance
Overall society

MIRAIT ONE Group Vision 2030

New growth strategy: Five business transformations (Five changes)

Change 1 People-centric management

Change 2 Acceleration of business growth

Change 3 Top-class profitability

Change 4 Management based on data insights

Change 5 Strong foundation for ESG management

Who We Are

The MIRAIT ONE Group, which has contributed to Japan's economic growth and the development of domestic and international telecommunications infrastructure, has sustained sales growth through the management integration of Seibu Construction Co., Ltd. and Kokusai Kogyo Co., Ltd., and the strengthening of its business portfolio with a "Full-Value Model." This is based on the unique strengths and position built through recent business structure reforms aimed at going "Beyond a Telecommunications Construction Company." The Group is now transitioning to a stage where it balances "business growth through bold challenges" in new areas with "steady profit growth."

Roots and Market Characteristics

Building a management foundation by supporting Japan's rapid economic growth with NTT

The headstreams of the Group, which grew through many mergers and restructuring, were three companies, which were Daimei Denwa Kogyo Corporation established in 1946, Toyo Denki Tsushin Kogyo Corporation established in the same year, and Kinki Telecommunications Construction Corporation established in 1960. The three companies expanded their management resources and business infrastructures by growing primarily through transactions with Nippon Telegraph and Telephone Public Corporation (later becoming Nippon Telegraph and Telephone Corporation (NTT)) established in 1952 during the years of postwar rebuilding and high economic growth, in which demands on telephone grew.



Hands-on practice and training for nurturing engineers (1960s)

Business Structure Reform

Shifting to business structure reform amid gradual contraction of the domestic telecommunications construction market

The three companies that established solid positions riding the wave of fixed-line telephone expansion during Japan's rapid economic growth until the early 1970s continued to grow steadily, primarily by adapting to mobile phones and smartphones. However, in response to the gradual contraction of the telecommunications construction market due to the overall maturation of domestic telecommunications infrastructure, they shifted towards business structure reform. To accelerate this shift, the three companies integrated in 2010 to establish MIRAIT Holdings Corporation, which later underwent further integration in 2022 to form MIRAIT ONE Corporation.

MIRAIT Holdings Corporation (2010)

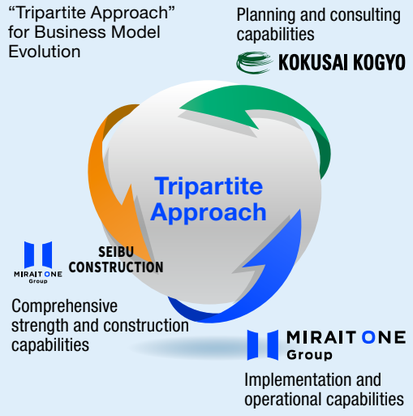
MIRAIT ONE Corporation (2022)

Position and Strengths / Evolution of Business Portfolio

Building unique strengths for medium- and long-term growth despite ranking third in business scale within the telecommunications construction sector

The Japanese telecommunications construction industry was reorganized into three groups in 2018. While our company ranks third in position, we have been focusing growth investments in "non-telecommunications fields" to quickly transform our business portfolio towards going "Beyond a Telecommunications Construction Company." As a result, we have built unique strengths in areas such as the "ICT field", "overseas business" , and "regional revitalization."

As a specific example, in the ICT field, we are engaged in data center cabling business in Asia and other overseas locations, as well as operating our own data centers in the Kansai region. Furthermore, in our "Environmental and Social Innovation Business", which includes many regional revitalization projects, we are evolving our "Full-Value Model" through a "Tripartite Approach" with Seibu Construction Co., Ltd. and Kokusai Kogyo Co., Ltd., which became consolidated subsidiaries through M&A in 2022 and 2023 respectively. This approach is building a foundation for medium- and long-term growth and sustainable enhancement of corporate value.



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Editorial Policy

This paper reports short-term, mid-term, and long-term efforts and results of value creation by the MIRAIT ONE Group that is committed to business structure reform, social contribution, sustainable growth, and enhancement of corporate value. The report focuses on MIRAIT ONE Group Vision 2030 starting from FY 2022, the 5th Medium-Term Management Plan, and our materiality initiatives, with concise yet comprehensive sections of "Introduction," "Self-Transformation for the Future," "Materiality Initiatives," and "Data." We have also enhanced the report's function as a "starting point" for deepening dialogue with stakeholders, including investors, by newly including "Who We Are," which concisely conveys our group's characteristics and strengths, and "Management Resources as the Source of Sustainable Corporate Value Enhancement" which delves deeper into our management resources.

Scope of Organization in this Report

This report basically covers the entire MIRAIT ONE Group. Please note that numerical data and some of the information presented in this report are based on the information available up to this point, as specified within the text or supplementary notices.

Reporting Period

FY 2023 (April 1, 2023 to March 31, 2024)

Note: This report contains some data outside the above period so far as it complies with the editorial policy.

Guidelines Referenced

"International Integrated Reporting Framework" issued by IFRS (International Financial Reporting Standards Foundation)
"Sustainability Reporting Standard" issued by GRI (Global Reporting Initiative)
"Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0" issued by METI (Ministry of Economy, Trade and Industry)

Date of Publication

November 2024

Precautions on Future Prospect, etc.

Descriptions in this report about the business performance and financial status of the MIRAIT ONE Group, the prospect and objectives of overall business activities, future plans and other details are based on the plan and prospect made from the information available for us at the time of editing. The actual performance may differ significantly from those described in this report due to changes in circumstances. Therefore, please understand that the accuracy of the prospects and other information in this report is not guaranteed for the future.

Inquiries

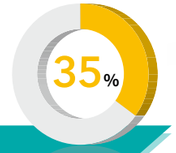
Public Relations Department, Corporate Strategy Division,
MIRAIT ONE Corporation
5-6-36, Toyosu, Koto-ku, Tokyo, Japan 135-8111
TEL: +81-3-6807-3120

Related Information on Our Website

■ **Corporate Information**
https://www.mirait-one.com/english/corporate/
■ **Services and Solutions**
https://www.mirait-one.com/solution/ (Japanese version only)
■ **IR Information**
https://ir.mirait-one.com/en/
■ **ESG Information**
https://www.mirait-one.com/english/esg/
(note: previous reports are also available)

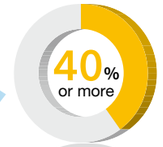
Business of MIRAIT ONE

To achieve the goals of the 5th Medium-Term Management Plan, MIRAIT ONE Group has divided its business into "Corporate/Environmental and social Infrastructure domain," which focuses on solutions business, and "Telecommunications infrastructure domain," which deals with the domestic telecommunications construction business. Within these domains, MIRAIT ONE Group is operating four businesses as shown below. Furthermore, by defining growth areas as the "MIRAI (future) domains" and mobilizing and concentrating its management resources including the newly consolidated Seibu Construction Co., Ltd. and Kokusai Kogyo Co., Ltd., the Group is accelerating its transition to a new stage of growth. The transformation of the business portfolio is progressing steadily in terms of net sales, and the Group is currently focusing on initiatives for profit growth.



Actual MIRAI (future) domains ratio for FY 2023

Of the FY 2026 sales target of 720 billion yen,
the Group will seek to increase the MIRAI (future) domains ratio to 40% or more

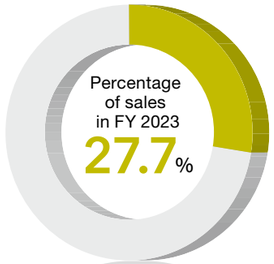


MIRAI (future) domains ratio target for FY 2026

- **Areas that target business growth will be defined as the "MIRAI (future) domains"**
- **The focus of the "MIRAI (future) domains" will be primarily on the four areas: "urban and regional development/Corporate DX and GX," green energy, software and global businesses, and on promoting these businesses in "full value."**

Corporate/Environmental and Social Infrastructure domain

Environmental and Social Innovation Business



Major services

- Renewable energy
- Planning/consulting
- Electricity/Air conditioning
- Social infrastructure (Civil engineering/Water and sewer services)
- Architecture/renovation

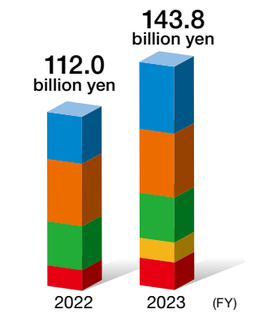
Providing a comprehensive range of solutions for the above areas

Major customers

- Local governments
- Private enterprises

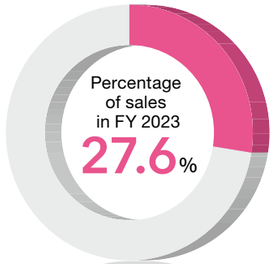
Others

Sales breakdown in the past two years





ICT Solutions Business



Major services

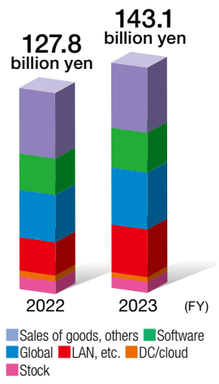
- Construction of ICT infrastructure related to cloud, office solutions, Wi-Fi, etc.
- Software, global, and product sales businesses

Major customers

- Private enterprises
- Local governments

Others

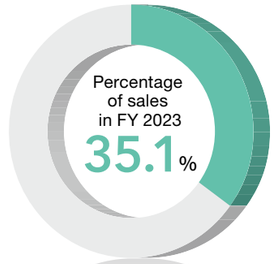
Sales breakdown in the past two years





Telecommunications infrastructure domain

NTT Business



Major services

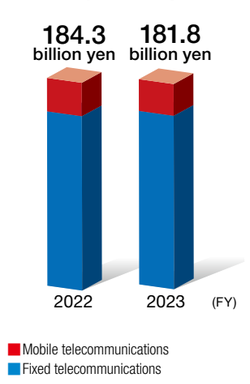
- We conduct the construction and maintenance of fixed and mobile telecommunications equipment for NTT Group nationwide.

Major customers

- Nippon Telegraph and Telephone East Corporation
- Nippon Telegraph and Telephone West Corporation
- NTT DOCOMO, INC

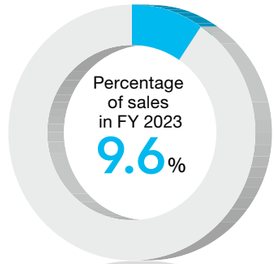
Others

Sales breakdown in the past two years





Multi Carrier Business



Major services

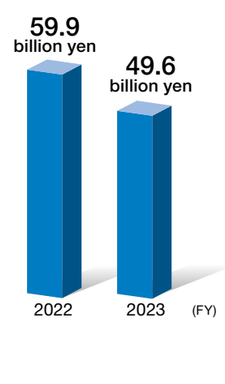
- We conduct the construction and maintenance of fixed and mobile telecommunications equipment for NCC nationwide.
- We also conduct business related to CATV construction and broadcast radio wave (television reception measures).

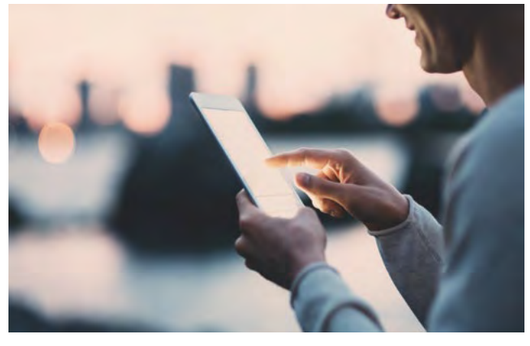
Major customers

- KDDI Corporation
- Softbank Corporation
- Rakuten Mobile, Inc.

Others

Sales breakdown in the past two years







Achieving Profit Growth Through Going "Beyond a Telecommunications Construction Company" by Continuously Evolving Our "Full-Value Model"

Business Portfolio Transformation

Business Portfolio Transformation Towards Going "Beyond a Telecommunications Construction Company" - Achievements and Challenges So Far

The MIRAIT ONE Group, founded in 1946, has built its management resources and business foundation, which are the sources of value creation, by growing alongside the "telecommunications construction market (carrier market)" that has supported the development of Japan's telecommunications infrastructure. During the previous medium-term management plan (FY 2019-2021), as 5G and IoT began to fully spread, we incorporated these business opportunities based on our vision of aiming to become a "comprehensive engineering and servicing" company. In FY 2021, the final year of the plan, we achieved record-high net sales and operating income. Meanwhile, against the backdrop of the medium to long-term shrinking trend in the telecommunications construction market, our main battlefield, our group formulated the long-term vision "MIRAIT ONE Group Vision 2030" (hereafter, Vision 2030) in 2022, looking ahead to 2030. After redefining our Purpose (meaning of existence) and Mission (public mission), we set out to realize the "Full-Value Model," which provides total services from planning to design, construction, and operation across a wide range of social infrastructure areas, including not only "telecommunications" but also "ICT," "electricity," "civil engineering," and "construction." At the same time, we began the full-scale implementation of our business portfolio transformation to go "Beyond a Telecommunications Construction Company." Since then, in the 5th Medium-Term Management Plan (FY 2022-2026) which started simultaneously with Vision 2030, our "MIRAI (future) domains" -comprising urban and regional development / corporate DX and GX, green energy business, software business, and global businesses, which we have identified as future focus areas - have been steadily expanding. Additionally, with contributions from Seibu Construction Co., Ltd. and Kokusai Kogyo Co., Ltd., which became group companies through M&As in 2022 and 2023, we were able to achieve record-high net sales for the seventh consecutive term in FY 2023, the second year of the medium-term plan.

In this way, while fully leveraging the business experience cultivated in our traditional main domains, we have been able to sustain long-term sales growth through shifting to new growth areas centered on the "MIRAI (future) domains" and transforming our business portfolio. I believe this is highly commendable. On the other hand, we recognize that our most pressing challenge is overcoming the recent trend of "increased sales but decreased profits" for the past two years, due to a decline in our operating income margin.

Promoting the "Tripartite Approach"

One of the most important keys to restoring profitability is "increasing the added value of our business," and to achieve this, we are focusing on the "Tripartite Approach" from FY 2024, which maximizes the synergies between our company, Seibu Construction Co., Ltd., and Kokusai Kogyo Co., Ltd. Through the M&A of these two companies, our group has shifted to a structure that can create high added value with a unique business portfolio in the telecommunications construction sector.

Specifically, the integration of Seibu Construction Co., Ltd. significantly strengthened our "civil engineering" and "construction" fields, enhancing our "horizontal integration" to develop high-quality, full-package solutions. Recently, we have begun accumulating many achievements, thanks to Seibu Construction's strengths in "general contractor integration capabilities" and "on-site leadership" in large-scale projects like stadium construction.

Meanwhile, the "vertical integration" was strengthened with the Group integration of Kokusai Kogyo Co., Ltd. This company provides new information value by combining spatial information acquired through various surveying technologies from all geographic spaces, from space to the seafloor, with various data. Leveraging these technological strengths, a group of experts led by numerous professional engineers provides "planning and consulting" for national and regional development to local governments and companies. Their customer base extends to national and prefectural governments as well as more than two-thirds of about 1,700 municipalities. We have established a framework that further evolves the "Full-Value Model" through the "Tripartite Approach," where our wide-ranging engineering fields—such as telecommunications, IoT, electricity, and energy—are expanded through Seibu Construction Co., Ltd.'s "horizontal integration" and harmonized with Kokusai Kogyo Co., Ltd.'s "vertical integration."

Among the "MIRAI (future) domains," we are focusing on "Zero Carbon City projects" and "Public Infrastructure Management projects" as immediate growth areas for the "Tripartite Approach." In "Zero Carbon City projects," we aim to realize zero carbon cities through total solutions, including energy management for surrounding areas, starting with providing various GX solutions to the public sector and expanding to private customers. In "Public Infrastructure Management projects," we aim to centralize maintenance and facility management support for telecommunications and railway infrastructure, and expand the target areas to public infrastructure such as roads and water supply based on efficiency improvements in maintenance and management through spatial information, developing into a comprehensive infrastructure management business including disaster prevention and mitigation, and aging infrastructure countermeasures. In particular, with Kokusai Kogyo Co., Ltd.'s capability to deal with local governments added to our business and customer base in local cities and regions, which we have cultivated over many years as a unique strength of MIRAIT ONE, we expect to demonstrate even greater strength in regional revitalization projects.

Our group intends to develop a high value-added "Full-Value Model" by firmly connecting the value chains of Kokusai Kogyo Co., Ltd.'s "planning and consulting capabilities," Seibu Construction Co., Ltd.'s "comprehensive strength and construction capabilities" as a general contractor, and MIRAIT ONE's "implementation and operational capabilities," and continuously refining this as a unique business portfolio. I will continue to lead the value creation and growth of our entire group based on the "Full-Value Model" rooted in Vision 2030, Purpose, Mission, and materiality. Regarding the "Tripartite Approach," I will decide and follow up on who should take leadership and what kind of team should respond, considering the nature of each project and relationships with customers.

Moreover, in advancing each project, what we want to value is that each of the three companies acts as a team that mutually demonstrates strengths and complements weaknesses under fair relationships as companies constituting the MIRAIT ONE Group. Although MIRAIT ONE has a parent-subsidiary capital structure with Seibu Construction Co., Ltd. and Kokusai Kogyo Co., Ltd., they are in parallel positions within the workflow cycle, from construction planning and consulting to subcontracting by the general contractor. Therefore, we will connect the value chain on an equal footing while mutually respecting each other and promote a high value-added business model. Currently, projects of "MIRAI (future) domains" targeted by the "Tripartite Approach" are increasingly growing, and a phase has begun where more human resources are moving to the forefront of these projects. We will strive for steady profit growth through the creation of synergies and high added value by the "Tripartite Approach."

Future Direction of M&A

While promoting the aforementioned "Tripartite Approach," we will continue to consider M&A as one of the important options to achieve our medium-term management plan targets for FY 2026. In the current medium-term plan, we anticipate a total cash inflow of over 210 billion yen over the four years from FY 2023, including cash flow from business profits, sale of idle real estate and strategic shareholdings, and external borrowing. We plan to allocate this cash to "growth investments" while balancing "shareholder returns." As part of the "growth investments," we have allocated a total of 100 billion yen for M&A apart from organic business growth. After subtracting about 46 billion yen used for the integration of Kokusai Kogyo Co., Ltd., we will continue to explore M&A possibilities with the remaining 50+ billion yen by carefully selecting assets necessary for future growth.

In my own career at previous positions, I have handled numerous M&A deals in new business and international business fields. There have been both successes and failures, and I have made full use of the lessons learned, especially from the failures, in subsequent M&A efforts at our company. When considering M&A, I place the utmost importance on judging whether the asset is truly strategically necessary. It's not about "M&A for the sake of M&A" or "M&A aimed at short-term sales and profit expansion," but rather whether it's essential to evolve the MIRAIT ONE Group's strategy towards going "Beyond a Telecommunications Construction Company" and our "Full-

Value Model." Carefully scrutinizing this point is my top priority.

Additionally, to ensure M&A success, it's extremely important to develop a concrete PMI (Post Merger Integration) plan before the acquisition. This includes not only the integration of financial and HR systems but also intangible aspects like culture. I emphasize creating a specific PMI plan before M&A, detailing what will be done within how many months or years, and executing it thoroughly. For the integration of Kokusai Kogyo Co., Ltd., we proceeded with the grouping after meticulously developing a "100-day plan" for the post-M&A period. Conversely, refraining from pursuing deals where we can't develop concrete and detailed PMI plans is a lesson I've learned from past failures. Going forward, we will continue to steadily implement our business strategy, including M&A, towards sustainable growth and corporate value enhancement based on Vision 2030.

Recognition of Business Environment

Extremely Strong Demand for "MIRAI (Future) Domains"

When we compare the direction of our business portfolio transformation, which we have been focusing on, with the current business environment, we feel an even stronger sense that we are on the right path. While telecommunications carriers' capital investment slightly recovered in FY 2023 compared to FY 2022, when mobile-related investment drastically decreased, it is not growing now that 5G investment has run its course, and the overall telecommunications construction market continues to shrink. On the other hand, in the "MIRAI (future) domains" that we are focusing on, market demand is extremely strong, driven by global trends in sustainability and DX. In the DX field, new technological elements, including generative AI, are emerging one after another. In the GX field as well, there is strong demand, combined with AI in some cases, from companies and local governments, accelerating the complexity and sophistication of needs.

Growth Strategy

Achievements and Challenges in the Second Year of Medium-Term Management Plan

In FY 2023, the second year of our 5th Medium-Term Management Plan, we experienced increased revenue but decreased profit for the second consecutive year, as mentioned earlier. The most significant factor contributing to the profit decline in FY 2023 was the occurrence of large-scale unprofitable projects in the "Environmental and Social Innovation Business" and "ICT Business." This was a result of the Group's "insufficient management capabilities for large-scale projects" becoming apparent, and it goes without saying that preventing recurrence is our most pressing management issue. However, we also recognize these losses as evidence of our group's bold challenge and progress towards going "Beyond a Telecommunications Construction Company." As "our ability to generate revenue" in the "MIRAI (future) domains" has further improved, we will continue to strongly promote our efforts to go "Beyond a Telecommunications Construction Company" while focusing on solving each issue.

Strengthening of Risk Management

Prior to the start of FY 2024, the third year of our medium-term plan, our group's board of directors held repeated discussions on measures to prevent the recurrence of large-scale unprofitable projects.

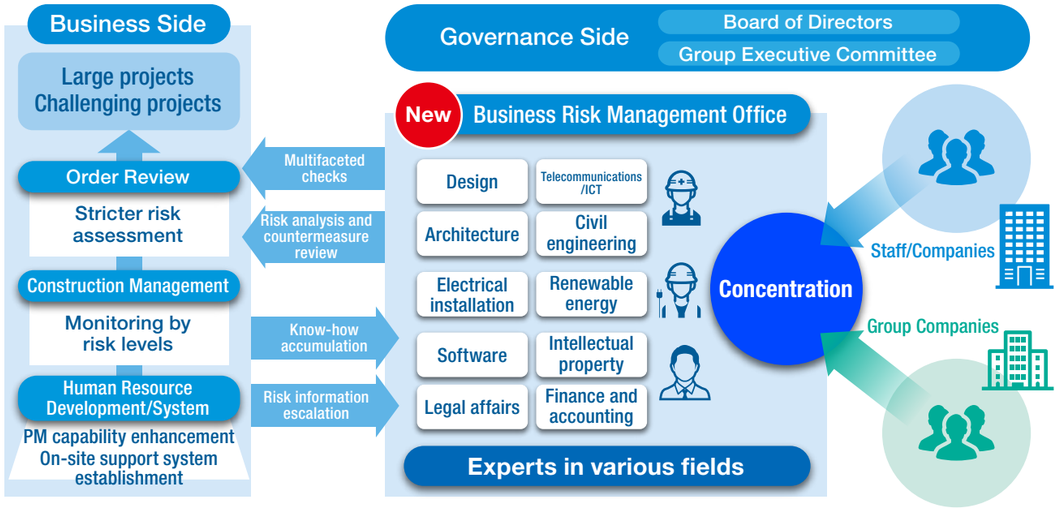
To prevent future unprofitable projects, we will strengthen risk management from both business and governance sides, preventing and monitoring risks by bringing together expertise from specialists across various fields within the Group. On the business side, we will tighten risk assessment at the order review stage and solidify our risk management system through monitoring according to risk levels during the construction phase, while simultaneously enhancing project manager development and on-site support. Meanwhile, on the governance side, we will identify and address risks that may be difficult to detect on site, as well as common "pitfalls" across different sites. To this end, we established a new organization called the "Business Risk Management Office" in April 2024. This office flexibly assigns experts from various fields according to the project and checks risk assessment and risk countermeasures from a position independent of the business side. We are also advancing efforts to properly document past cases of large-scale unprofitable projects and risk management know-how and share them within the Group.

In these series of measures, I intend to pursue the "best balance" between the business side and the governance side. Specifically, if the governance side becomes too strong, it may put the brakes on the business side, potentially diminishing the motivation for challenges and growth opportunities. Therefore, I am encouraging the field to "continue to push forward without fear." I want to cultivate the "wisdom" for the business side to grow while maintaining a strong desire for growth and recognizing risks. For this reason, in the board of directors, we are devising monitoring mechanisms to detect risks appropriately and early, with minimal on-site burden and at minimal cost. The discussions leading up to this in the board of directors have involved very active and healthy exchanges of opinions between inside and outside directors, and the resulting "best balance" is beginning to be shared and practiced by all directors. We will continue to maintain the proper tension between the "business side" and the "governance side" to prevent the recurrence of unprofitable projects and ensure steady profit growth.

FY 2024 Performance Outlook

Through the dual approach of "evolving the Full-Value Model" and "risk management" as explained so far, the MIRAIT ONE Group anticipates an increase in revenue for the eighth consecutive term and an increase in profit for the first time in three terms in FY 2024. We also expect EBITDA to be nearly at the same level as FY 2021, when we achieved record-high operating income. This outlook is based on an increased profit level by preventing the recurrence of unprofitable projects as mentioned earlier and we anticipated steady progress in the "MIRAI (future) domains," including the green energy business and grid energy storage projects. It also factors in the effects of our efforts towards Change 3 "Top-class profitability," which will be discussed later. Additionally, the full-year contribution of Kokusai Kogyo Co., Ltd.'s performance is expected to help increase profits in the Environmental and Social Innovation Business and ICT Business. As a result, we expect to achieve our FY 2026 target of "MIRAI (future) domains ratio of 40% or more" two years ahead of schedule, reaching 43% in FY 2024.

■Toward prevention of recurrence of large unprofitable projects



Progress of "5 Changes" and Future Key Initiatives

Next, I will explain the progress so far and future key initiatives regarding the five business transformations "5 Changes (Change 1-5)," which are the growth strategies in Vision 2030, looking ahead with a long-term perspective beyond FY 2026, the final year of the medium-term management plan.

Change 1: "People-centric management"

■**Continuing to Strengthen Human Capital as the Foundation for Business Growth, and Initiating Engagement Surveys as Well**

The MIRAIT ONE Group possesses intellectual capital such as know-how and technologies cultivated by MIRAIT ONE and its major operating companies over more than 70 years of history, engineering capital that enables the deployment of uniform, high-quality business operations nationwide, and social and relationship capital built with customers and partner companies. These various forms of capital are strengthened as the power of our human resources increases, and there is no doubt that human capital is our greatest asset. In particular, during the Noto Peninsula earthquake on New Year's Day 2024, I witnessed over 1,000 personnel from our group and partner companies across the nation rushing to the site to protect telecommunications infrastructure, despite the extreme cold and New Year's holidays. This made me strongly feel that this irreplaceable power is a crucial asset supporting not only telecommunications but also Japan's future social infrastructure, including green energy. With the integration of Seibu Construction Co., Ltd. and Kokusai Kogyo Co., Ltd. into our group, the universe of human capital and social and relationship capital has expanded, and I feel that the value creation foundation of the entire MIRAIT ONE Group is steadily strengthening.

On the other hand, the most pressing issue in human capital is the shortage of talent. In addition to securing personnel through enhanced recruitment, we are also strengthening human resource development aimed at making each employee multi-talented. As new areas such as DX and GX expand, customer expectations for our specialized knowledge and technology are increasing, making our human resource development initiatives a key foundation for



significant business growth. In FY 2023, we were able to steadily advance "human resource mobility" initiatives, shifting engineers who previously specialized in telecommunications to the "MIRAI (future) domains" after developing them into multi-skilled personnel capable of handling electrical installations and software. Regarding "Mirai College," we are planning to enhance the functions of "Real Campus" to address complex projects that have recently begun to increase markedly. Furthermore, we are expanding new HR systems such as job-based employment and internal side job programs. We have also initiated engagement surveys to confirm employee feedback on these measures, which will be utilized in future management and initiatives to improve engagement (→ see pages 37-38 "CHRO Message").

Change 2: "Acceleration of business growth"

■ Synergies With Seibu Construction Co., Ltd. Greatly Expand, Entering a Profit Growth Phase; Focus on Future Steady Profit Growth

Regarding Change 2 "Acceleration of business growth," in addition to the "MIRAI (future) domains" driving sales growth as a growth driver as mentioned earlier, we report that synergies with Seibu Construction Co., Ltd. have greatly expanded as a significant progress in FY 2023. Although we had prepared a detailed PMI program, the consolidation of Seibu Construction Co., Ltd., which was previously under a powerful brand group, was met with apprehension from some employees and customers, and a partial decline in order-winning and sales capabilities and completion and construction capabilities became apparent in the first year of integration. Therefore, I personally visited the company many times, repeatedly engaging in dialogue and discussions with various levels of personnel from managers to young employees, focusing on directly hearing their concerns, including dissatisfaction and anxiety about the personnel system. To address these concerns, we launched the "Proud Future Realization Project" to strengthen Seibu Construction Co., Ltd. as a standalone entity. As a result, the company successfully rebuilt its foundation and increased its autonomy, thanks to the leadership of President Sato. After that, we re-implemented the PMI program, which resulted in 10.4 billion yen in business synergies—about 2.5 times that of the previous fiscal year—and an operating income, after goodwill amortization, that exceeded the previous fiscal year by 950 million yen in FY 2023. We will continue to focus on steady profit growth through expanding business synergies with the company from FY 2024 onward.

■ Focus on Further Strengthening and Adding High Value to ICT Business, Centered on Data Center-Related Business

Another area where we expect to generate high added value as a source of steady profit growth in the future is the ICT field. As the global spread of generative AI drives growth in data center-related business, we will further refine the expertise and know-how gained through our achievements in the ICT business, especially in domestic and international data center-related business, which has been one of MIRAIT ONE's unique strengths for many years. We aim to create even higher added value, going beyond data center cabling and power distribution system construction.

Change 3: "Top-class profitability"

■ Steady Efforts Towards Improving Profitability Bear Fruit, Aiming for a Profit Improvement Effect of About 4 Billion Yen by FY 2026

In our efforts towards Change 3 "Top-class profitability," we achieved a cost reduction of 1.1 billion yen in FY 2023 by continuing to pursue the effects of the three-company integration* (such as unifying material procurement and outsourcing financial and accounting operations) from the previous fiscal year. We will continue these steady efforts to improve profitability, aiming to achieve profit improvements of 1.4 billion yen in FY 2024 and about 4 billion yen by FY 2026.

Additionally, we aim to improve the profit margin of our carrier business (targeting a 3-point increase in FY 2026 compared to FY 2022) by simultaneously advancing value chain reforms (such as consolidating common operations and streamlining processes) and increasing efficiency through subsidiary restructuring (including the integration of five fixed-line access subsidiaries in the NTT business).

*Refers to the streamlining effects of the three-way merger of MIRAIT Holdings Corporation, MIRAIT Corporation and MIRAIT Technologies Corporation in 2022

Change 4: "Management based on data insights"

■ Progress in DX Promotion Across All Business Areas

Regarding Change 4 "Management based on data insights," we continued to make progress in "DX human resource development" in FY 2023 to promote DX across all business areas. Additionally, we were able to steadily advance "utilization of generative AI" and "data insight initiatives (introduction of a completion forecast tool in solution companies)." We will continue these efforts in FY 2024 to achieve various targets set for FY 2026 (→ see pages 31-32 "Digital Strategies").

Change 5: "Strong foundation for ESG management"

■ Evolving ESG Initiatives and Communication for Sustainable Enhancement of Corporate Value

In promoting ESG management for sustainable enhancement of corporate value, we continue to focus on initiatives that link materiality, growth strategy, and sustainability under the ESG Management Promotion Committee (→ see pages 33-34). Additionally, since FY 2022, we have introduced "GHG reduction achievement level" as an evaluation criterion for executive performance-linked compensation, alongside "consolidated operating income" and "ROE," focusing on the continuous evolution of sustainability governance.

Under this basic stance, in FY 2023, we made significant progress in both "environmental" and "social" aspects. This includes ahead-of-schedule progress on switching to renewable energy at our own buildings, steadily reducing Scope 1 and 2 emissions, obtaining a CDP (Carbon Disclosure Project) "B rating," and significantly increasing the rate of personnel with multiple qualifications.

Going forward, we aim to further enhance the "quality" and "clarity" of our dialogue with stakeholders, including investors, by logically or quantitatively "visualizing" how these ESG/sustainability initiatives lead to increased corporate value. Specifically, we believe that the aforementioned "investment in human capital" contributes to revenue expansion through improved engagement and performance of individual talent. Initiatives for "Diversity & Inclusion" promote the resolution of more advanced social issues and the creation of innovation through diversification of opinions, ideas, and risk-taking methods, leading to enhanced corporate value. Furthermore, our decarbonization efforts enhance the environmental and social value of our business through the accumulation of "GHG reduction contribution" via renewable energy-related businesses. Internal decarbonization investments are expected to lead to reduced capital costs and increased corporate value by lowering the "investment hurdle rate" and future carbon tax burden.

Moreover, this series of "visualizations" will strengthen the non-financial capital (intangible assets) of our group, which is the source of our ESG/sustainability initiatives, and contribute to improving the PBR as mentioned later. The MIRAIT ONE Group will continue to enhance corporate value not only through business growth and ESG/sustainability initiatives but also by evolving our communication with investors and stakeholders.

Towards Improving Capital Efficiency

As our group has actively pursued M&A, we have been mindful of maintaining a strong balance between debt and capital, focusing not only on the profit and loss statement but also on strengthening "balance sheet management." As an executive, I am always mindful of the optimal capital structure and financial discipline, and I recognize that our current financial and capital policies and financial condition are progressing steadily and soundly. However, one major issue we are focusing on is our PBR. We view our PBR, which is less than 1, as an indication that the capital market's expectations for our company are not at 100%. To improve our PBR, we will strive to further enhance capital efficiency by focusing not only on improving ROE but also on strengthening non-financial capital as mentioned earlier (→ see pages 17-20 "CFO Message").

In Closing

Our group has set "Co-creating an exciting future through challenges and technology" as our Purpose. Some may feel there is a disconnect between infrastructure and "excitement," but through discussions with our customers, partner companies, and employees, we have come to see that social infrastructure itself - such as railways, roads, and water systems - becomes integrated with cloud and AI through communications, creating industries, lifestyles, and entertainment. In other words, it is the foundation for creating "excitement," and we are working towards this Purpose. My responsibility, as mentioned earlier, is to present our Vision and strategy, and to "create and protect" new, exciting social infrastructure for the future, with a focus on "urban and regional development" and "DX and GX." In daily dialogues with investors, while we receive positive evaluations that "You're headed in the right direction and doing good work," we also receive feedback that "what's lacking is results." To gain the trust and confidence of our stakeholders, including shareholders and investors, we will accumulate evidence towards creating an exciting future through the expansion of revenue in the "MIRAI (future) domains" and firmly link this to profit growth. Please continue to look forward to the value creation and growth of the MIRAIT ONE Group in years to come.

We will link our growth strategy from a balance sheet perspective to improving capital efficiency and enhancing corporate value



Director and Managing Executive Officer CFO
MITSUYA Takaaki

Towards Improving Capital Efficiency and Enhancing Corporate Value

Formulating a "Growth Strategy from a Balance Sheet Perspective"

With the basic policy of maintaining both a stable financial base and capital efficiency, our group has strategically allocated management resources aiming for "creating new business opportunities," "accelerating business structure transformation," and "enhancing corporate value," while maintaining a sound financial structure and considering capital costs. However, in our dialogues with investors and IR activities, while we have steadily strengthened our explanation of growth strategies from a profit and loss (P/L) perspective, we had not sufficiently disclosed our growth strategy from a balance sheet (B/S) perspective or our cash utilization. In light of the Tokyo Stock Exchange's announcement in March 2023 regarding "Action on Cost of Capital-Conscious Management and Other Requests," we formulated and disclosed our group's "Growth Strategy from a Balance Sheet Perspective" in November of the same year, and released an updated version this May.

This strategy, formulated after four rounds of discussions in the "Deliberative Forum" where board members freely exchange opinions on medium-to long-term management strategies and issues, consists of "Market evaluation trends (stock price and PBR over the past 10 years)," "Towards improving PBR," "Basic approach to B/S strategy," "Cash allocation plan (2023-2026) (business growth through growth investments / human capital investments / M&A / shareholder return policy)," "Medium-term financial goals," and "Business portfolio and positioning of each domain." In this message, I would like to convey the key points of this strategy and the current situation, aiming to use it as a starting point for future dialogues with shareholders and investors.

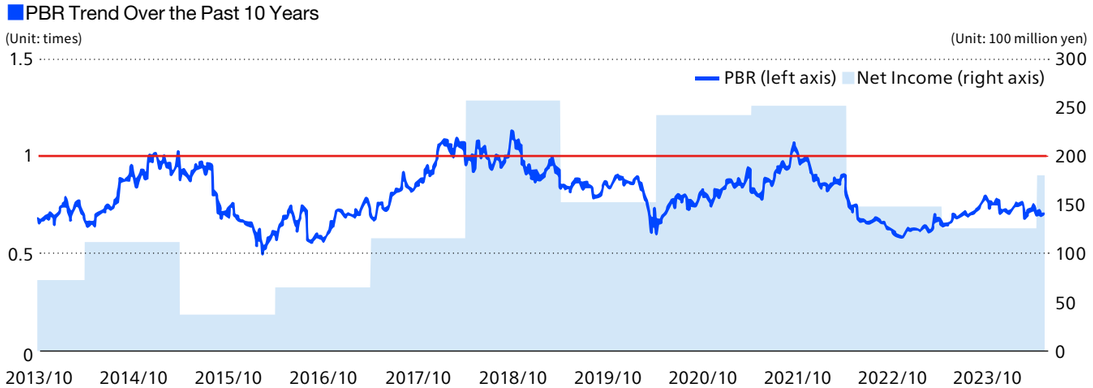
B/S Strategy and Cash Allocation Plan for Improving PBR

Looking back at our stock price and PBR trends over the past 10 years, while our stock price has outperformed TOPIX for extended periods, our PBR has been below 1 since September 2021 when the stock price reached its all-time high. Although there's a recent upward trend, we recognize that strengthening measures to recover our PBR to above 1 is an urgent issue.

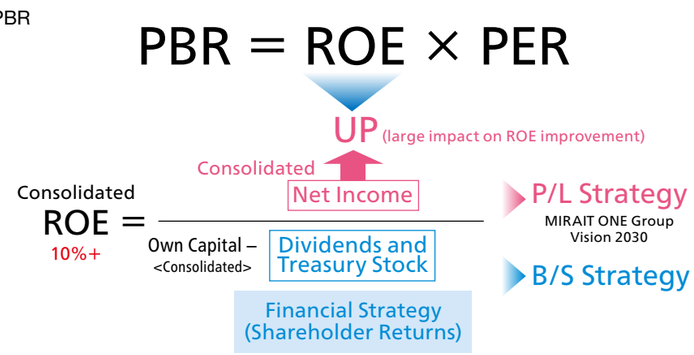
Therefore, breaking down PBR into ROE and PER, we will focus on improving ROE, which has greater potential for improvement through our own efforts. We aim to enhance the numerator, net income, through our P/L strategy, and control the denominator components, dividends and treasury stock, through our B/S strategy.

Specifically, in cash allocation, which is the core of our B/S strategy, our basic approach is to strategically link "growth investments" aimed at realizing the "MIRAIT ONE Group Vision 2030" with proactive "shareholder returns." For "growth investments," we will focus on "human capital investments" such as reskilling and health-oriented management, and "business investments" including M&A, organic growth, and DX. For "shareholder returns," we will focus on "stable dividend growth" and "flexible share buyback." In our 5th Medium-Term Management Plan through FY 2026, of the approximately 210 billion yen cash inflow planned over the four years from FY 2023 (comprising 140 billion yen from business profits, 60 billion yen from external borrowing, and 10 billion yen from the sale of idle real estate and strategic shareholdings), we plan to allocate approximately 50 billion yen for "organic business growth (human resources/DX/growth businesses)," approximately 100 billion yen for "promoting M&A," and approximately 60 billion yen for "strengthening shareholder returns." Through this allocation, we aim to achieve our FY 2026 targets (net sales of 720 billion yen or more, operating income margin of 7.5% or more).

■PBR Trend Over the Past 10 Years



■Toward Improving PBR



Applying Financial Leverage Within the Range of External "A" Rating

In the process of aiming to enhance corporate value by effectively utilizing cash inflow, we will apply financial leverage through the use of debt as a means to increase the numerator without increasing the denominator of ROE. On the other hand, our company, which has traditionally emphasized financial discipline, has obtained external ratings of A grade as of the end of July 2024 (Rating and Investment Information, Inc. (R&I): A, Japan Credit Rating Agency, Ltd. (JCR): A+). We intend to balance the "financial leverage effect" and "financial discipline" by maximizing the use of debt within a range that allows us to maintain these ratings in the future.

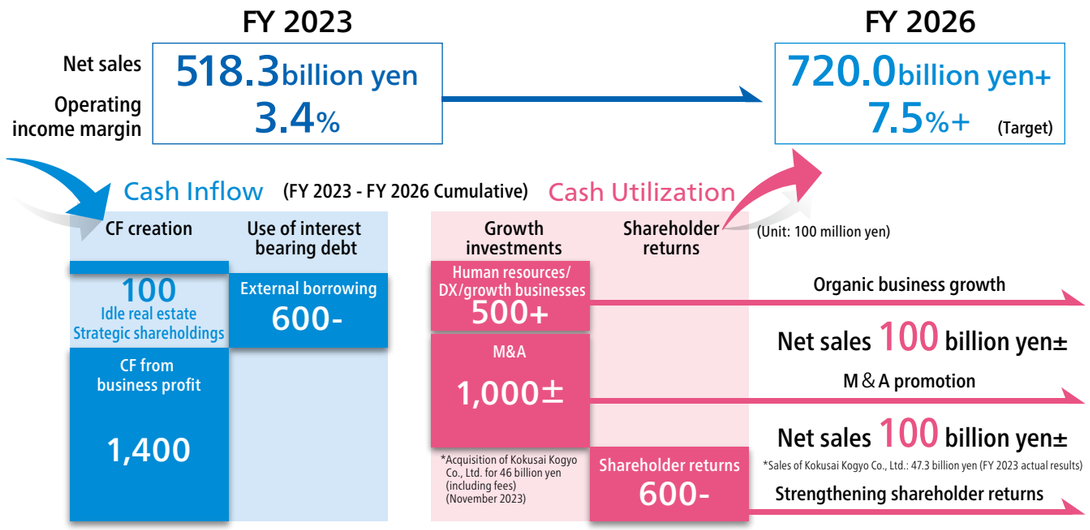
External Rating (Credit Rating) *

Rating and Investment Information, Inc. (R&I)
A

Japan Credit Rating Agency, Ltd. (JCR)
A+

*As of the end of July 2024

■Cash Allocation Plan (FY 2023 - FY 2026)



Towards Organic Business Growth

Under the B/S strategy discussed so far, in our investment for “organic business growth” (approximately 50 billion yen), we will focus on accelerating the growth of each business in the “MIRAI (future) domains,” centered on “urban and regional development / corporate DX and GX businesses,” “green energy businesses,” “software businesses,” and “global businesses.” To this end, we will concentrate on human capital investments such as “Mirai College” and “health-oriented management investments,” as well as DX investments including existing business efficiency improvements (value chain investments), AI utilization, and information system renewal. In particular, for human capital investment, we will proceed with the transfer of over 1,000 personnel from the “Telecommunications infrastructure domain” to the “Corporate/Environmental and social infrastructure domain” without increasing the total number of employees. Additionally, we will continue to invest in “strategic human resource development” through CDP (Career Development Program) matching, “flexible personnel systems” through job-based employment, side jobs, and diverse human resource utilization, and “health-oriented management” through engagement improvement and office reforms. Through these efforts, we aim to achieve our FY 2026 targets.

Toward Promoting M&A

In promoting M&A to accelerate the growth of our “MIRAI (future) domains,” we have used about half of the 100 billion yen investment ceiling for the integration of Kokusai Kogyo Co., Ltd. in 2023. For the remaining approximately 50 billion yen, we will continue to consider promoting M&A in the “MIRAI (future) domains.” Additionally, with the aim of “realizing business synergies that cover goodwill,” we are planning to develop a more effective M&A strategy, considering the use of “EBITDA (amount and ratio) as a KPI.”

Strengthening Shareholder Returns

Regarding shareholder returns, we will continue our basic policy of “stable dividend growth” and “flexible share buyback” as before. However, we will change our total shareholder return ratio from the previous “target of 50%” to a “target range of 50% to 70%.” This will be explicitly documented as a return policy that aligns with “actual conditions” including past results. We will strive for proactive shareholder returns, taking into account the presence or absence of large-scale investments such as M&As, our cash position, and financial discipline. Furthermore, regarding treasury shares with no intended use, we have changed our policy from “considering retirement” to “actively implementing retirement.” As a result of this new policy, in the fourth quarter of FY 2023, we retired nine million treasury shares.

Medium-Term Financial Targets

Through these financial and capital strategies, we aim to quickly recover our PBR to above 1. Additionally, by FY 2026, the final year of our 5th Medium-Term Management Plan, we aim to achieve “ROE of 10% or more” and “EPS growth rate of 10% or more per year.” For shareholder returns in FY 2024, we plan to increase the annual dividend per share by 10 yen from the previous year to 75 yen, and implement a share buyback of 3 billion yen (including 1 billion yen carried over from the previous fiscal year's resolution).

5th Medium-Term Management Plan / Review of Performance to Date and Future Key Initiatives

Aiming for Steady Profit Growth Through “Strengthened Risk Management” And “Further Expansion of Top Line”

In FY 2021, the final year of the previous medium-term management plan (4th Medium-Term Management Plan), we achieved record-high performance (in both net sales and operating income), driven by the growth in 5G and advanced wireless-related construction, as well as network environment improvements amid the COVID-19 pandemic. However, in FY 2022, the first year of the 5th Medium-Term Management Plan, while net sales continued to increase due to the integration of Seibu Construction Co., Ltd. and other factors, profits decreased due to the normalization of demand in the telecommunications business and the impact of soaring material costs and delivery delays caused by changes in the external environment (Ukraine crisis, semiconductor shortage, etc.). In FY 2023, the second year of the medium-term plan, net sales reached a new record high due to the effect of integrating Kokusai Kogyo Co., Ltd. on top of the steady organic growth centered on the “MIRAI (future) domains.” However, profits decreased due to the decline in the Multi carrier Business and the impact of unprofitable projects. As our ability to “generate revenue” in the “MIRAI (future) domains” has improved through acquiring projects in both “organic” and “inorganic” businesses, we aim to break away from the past two years' trend of “increased revenue with decreased profit” and achieve steady profit growth through “strengthened risk management” and “further expansion of the top line.”

First, regarding “strengthened risk management,” in FY 2023, the company experienced losses in large-scale projects within the MIRAI (future) domains, where we had no prior experience. Going forward, we will utilize the knowledge and expertise cultivated in other divisions of our group to enhance our ability to evaluate and identify risks at the time of order acceptance. Additionally, we will thoroughly implement cost management during the construction phase after order acceptance and raise the level of risk management by operating an “escalation rule” according to individual risks. The “Business Risk Management Office,” established in April 2024, will oversee these initiatives, bringing together expertise from specialists across various fields within the Group to prevent and monitor risks, leading to further accumulation of know-how and human resource development.

Next, for “further expansion of the top line,” we will continue to expand synergies in “horizontal integration,” which includes architecture and civil engineering functions essential for the expansion of “urban and regional development” and “corporate DX and GX” in the “MIRAI (future) domains,” together with Seibu Construction Co., Ltd. Simultaneously, in “vertical integration,” we will work with Kokusai Kogyo Co., Ltd., which has strengths in construction consulting using spatial information and a customer base in local governments, to expand end-to-end projects from the planning and design stages in “Zero Carbon City projects” and “Public Infrastructure Management projects.” Through these efforts, we will realize “tripartite business synergies” as a unified group. Through these efforts, we aim to solidify our path toward achieving our FY 2026 targets of 720 billion yen or more in net sales and an operating income margin of 7.5% or more.

Focusing Also on Decarbonization and TCFD Initiatives as the Officer in Charge of the ESG Management Promotion Department

Background of Our Efforts to Date

One year prior to the establishment of MIRAIT ONE, our group set up the ESG Management Promotion Committee (chaired by the President). Since then, we have been working as a unified group to strengthen our ESG management foundation through initiatives such as “identifying key issues (materiality),” “endorsing TCFD,” “setting greenhouse gas (GHG) reduction targets and obtaining SBT certification,” and “establishing key non-financial targets and enhancing non-financial information disclosure.”

Energetic Promotion of GHG Reduction

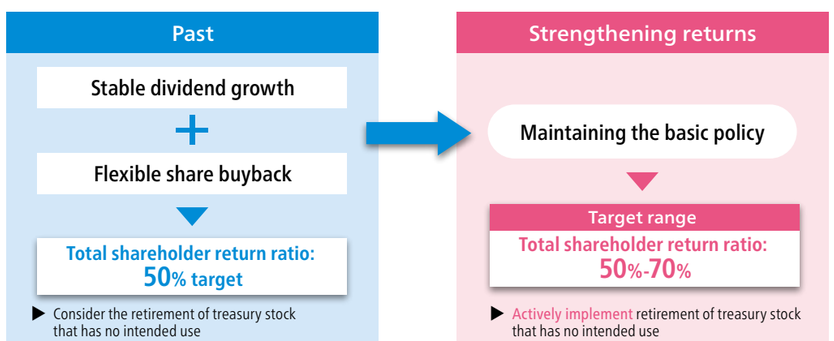
Regarding GHG reduction in particular, we are implementing top-down initiatives to achieve our FY 2030 reduction targets, such as replacing general-purpose vehicles with EVs/HVs and switching to renewable energy for electricity in our own buildings, steadily working towards reduction. In FY 2023, as a result of accelerating our plan to switch to renewable energy in our own buildings, we were able to reduce our own emissions (Scope 1 from fuel consumption and Scope 2 from indirect electricity use) by approximately 16.7% compared to the base year (2020).

Objective ESG Evaluation

Our various ESG initiatives have been evaluated by rating agencies such as CDP (Carbon Disclosure Project), S&P Global, and EcoVadis. We have received objective assessments showing year-on-year improvements in our ESG ratings.

Regarding CDP, in FY 2023, we received a B rating, which is two ranks higher than in FY 2022. As a business entity playing a role in the value chain of urban and regional development and social infrastructure creation, we will continue to work on climate change initiatives in cooperation with our partners.

■Change in Shareholder Return Policy





Road Map & Vision

Roadmap for Realizing the Future Vision

Under the business structure reforms and growth strategies we have described so far, the MIRAIT ONE Group will continue to fulfill its responsibility to “create and protect” social infrastructure. Aiming to contribute more than ever to solving social problems and go “Beyond a Telecommunications Construction Company,” we will pursue sustainable growth by continuing to take on bold challenges based on the change and growth of each individual employee, and by accumulating achievements.

Past/Present

FY 2010 - FY 2021:

Expanded business domain and strengthened management base to establish a “comprehensive engineering and servicing company”

- Captured the growth of the mobile telecommunications market and aggressively expanded ICT business and environmental/social innovation business
- Expanded regional business/software business/overseas business through M&A in Japan and other countries
- In ten years, net sales nearly doubled and operating income margin improved by 4.8 point
- Formulated materinality

FY 2022 -:

Launched full-scale business reform toward “Full-Value Model” with the aim of going “Beyond a Telecommunications Construction Company”

- Executed transformation into a future implementation company, promoting total solutions from planning to design, construction, and operation with solid strengths in “telecommunications,” “electricity,” “ICT,” “civil engineering,” “architecture,” and other fields.

FY 2023 -:

Acceleration of “Business Transition to Growth Areas”

- DX promotion for existing businesses
- Acceleration of “Business Growth through Human Resource Development”
  - About 1,000 employees will be transferred to growth areas by FY 2026 based on a medium-term human resources mobility plan.
  - Formulating the “Human Resources Version: MIRAIT ONE’s Value Creation Model”
  - Employee-oriented work style reform and strategic human resources development

FY 2011

Actual results

Net sales
236 billion yen
Operating income (margin)
5.2 billion yen
(2.2%)

27%

Non-telecommunication business ratio

MIRAIT Holdings Corporation established in 2010

FY 2023

Actual results

Net sales
518.3 billion yen
Operating income (margin)
17.8 billion yen
(3.4%)

MIRAI (future) domains ratio **35%** **55%**

MIRAIT ONE Corporation established in 2022

1st to 4th Medium-term Management Plans

5th Medium-term Management Plan

Future

FY 2024 -:

Toward further expansion of “MIRAI (future) domains” and profit growth

- Expansion of green energy business, urban and regional development/corporate DX and GX
- Promotion of tripartite business synergies
  (Zero Carbon City projects/Public Infrastructure Management projects)
- Prevention of recurrence of large unprofitable projects (Strengthening risk management before order acceptance and during construction, both on the business and governance sides)

FY 2024

Plan

Net sales
570 billion yen
Operating income (margin)
27 billion yen
(4.7%)

43% **62%**

MIRAIT ONE Group Vision 2030

FY 2026

Medium-term management plan targets

Net sales
720 billion yen or more
Operating income (margin)
7.5%+

40%+ **70%+**

MIRAI (future) domains ratio

Non-telecommunication business ratio

For details of the 5th Medium-term Management Plan and MIRAIT ONE Group Vision 2030, please refer to the “Evolution of Medium-term Management Plan and Long-term Vision” on pages 23.-24.



Mid-term Management Plans and Long-term Vision

Evolution of Medium-term Management Plan and Long-term Vision

With “MIRAIT ONE Group Vision 2030,” the MIRAIT ONE Group is focusing on five business reforms, 5 Changes, as the growth strategy for going “Beyond a Telecommunications Construction Company.” The Group aims to grow over the next 10 years by expanding its full-value business model through further enhancement of the comprehensive engineering and servicing capabilities cultivated under the 4th Medium-term Management Plan ending in FY 2021.

Important societal issues to be addressed (Materiality)



4th Medium-term Management Plan (2019-2021)

Basic approach

- **Maximize the management resources that have expanded by the business merger in a business environment undergoing major changes, such as the transformation of the business model of telecommunications carriers that are our customers, the anticipation of new services to be provided based on 5G, the growing demand for new solutions for the coming era of full-fledged IoT, and the acceleration of the reconstruction of social infrastructure toward 2020.**
- **Aim for further growth by accelerating the transformation of business structure centered on “comprehensive engineering and servicing” and by maximizing the synergy of business mergers.**

Target

■ Net sales: 450 billion yen ■ Operating income: 27 billion yen ■ Operating income margin: 6.0 % ■ ROE: 8.0 % or more

Key initiatives

- **Generation of new business opportunities**
  - Develop solution business by leveraging the expanded regional coverage achieved through management integration
  - Challenge to capture new business opportunities beyond the framework of conventional business areas and technologies
- **Acceleration of transformation of business structure**
  - Accelerate the transition from carrier business to solution business
  - Promote qualitative transition in the solution business (emphasis on profit)
- **Enhancement of productivity and reduction of costs through efficient operations**
  - Ensure smooth construction operation through closer cooperation with partner companies
  - Pursue system sharing and consolidation of shared operations
- **Strengthening of the basis of human resources**
  - Improve productivity and secure talent through work style reforms
  - Strengthen and revitalize human resources to support expansion into new business domains and operational innovation
- **Promotion of ESG-oriented management and safety/quality**
  - Identify business risks and opportunities from an ESG perspective and take appropriate action
  - Establish the MIRAIT Group brand to meet customers’ needs for peace of mind and reliability with “safety and quality improvement”
- **Capital policy**
  - Maintain a sound financial structure
  - Execute management with an awareness of the cost of capital
  - Acquire own shares in order to achieve an ROE of 8.0% or higher

Performance

	FY 2019	FY 2020	FY 2021	Difference from target
Net sales	441.1 billion yen	463.7 billion yen	470.3 billion yen	+20.3 billion yen
Operating income	21.9 billion yen	30.1 billion yen	32.8 billion yen	+5.8 billion yen
Operating income margin	5.0%	6.5%	7.0%	+1.0P
ROE	7.4%	11.0%	10.7%	+2.7P

MIRAIT ONE Group Vision 2030

Basic approach

Based on the redefined Purpose (meaning of existence)/Mission (public mission), the Group aims to evolve into a company group that will continue to contribute to solving social problems in a broader area of social infrastructure. In order to continue to be a trusted company group that “builds and maintains” future social infrastructure, the Group is now operating under the “MIRAIT ONE Group Vision 2030” as the vision for 2030 and the “5th Medium-term Management Plan,” which is the five-year plan ending in FY 2026.

New Growth Strategy: “Five Changes”

Change 1: People-centric management

- Strategic learning and re-skilling at the Mirai College (Driving force behind business reform that provides “learning” and “connection”)
- “Health and productivity management” that creates a friendly working environment and protects the physical and mental health of employees
- Employee-oriented “work style reform”

Change 2: Acceleration of business growth

- Clearly redefine growth areas as the MIRAI (future) domains and inject resources (promote business structure reform for a Full-Value Model)
  - Promote urban and regional development business (regional revitalization business), Corporate DX, and green operations
  - Strengthen green energy business that contributes to decarbonization
  - Strengthen software business that contributes to customers’ DX
  - Strengthen global businesses that promote overseas data center- related and infrastructure sharing business
- Strengthen the customer base of existing business (response to the expansion and growth of customers)

Change 3: Top-class profitability

- Strengthen the management foundation through concentration and efficiency improvement achieved by the integration of three companies
- Improve efficiency through the fundamental revision of operations and utilization of data insights
- Review existing operations and costs by promoting group coordination

Change 4: Management based on data insights

- Establish knowledge-based data environment and optimize sales approach (aggressive DX)
- Execute value chain reform and smart construction, and utilize BPO/RPA/generative AI/robotics (defensive DX)
- Develop experts and core human resources and improve companywide literacy (development of talent for DX)

Change 5: Strong foundation for ESG management

- Initiatives aimed at the achievement of greenhouse gas reduction targets (science-based targets)
- Co-creation of social value through the MIRAIT ONE Partner Association
- Strengthen the audit function by enhancing the audit system and the three-lines of defense
- Strengthen corporate governance through a new Group management system

5th Medium-term Management Plan (2022-2026)

Financial Targets

	FY 2022 results	FY 2023 results	FY 2024 plan	Management targets of FY 2026
Net sales	484.0 billion yen	518.3 billion yen	570.0 billion yen	720 billion yen or more
MIRAI (future) domains ratio*	29%	35%	43%	40% or more
Operating income (margin)	21.8 billion yen (4.5%)	17.8 billion yen (3.4%)	27.0 billion yen (4.7%)	Operating income margin 7.5% or more
ROE	6.0%	5.0%	–	10% or more
EPS	151.20 yen	133.34 yen	198.12 yen	Annual growth rate of 10% or more

* Ratio of MIRAI (future) domain in net sales

- **Further strengthening of shareholder returns**
  - Target range of 50% to 70% total shareholder return ratio
    - Stable dividend growth and flexible share buyback
  - Actively retiring treasury stock that has no intended use
- **Enhance investment for growth**
  - Free cash flow after shareholder returns is allocated with a priority to growth investments
  - Utilizing liabilities based on the assumption that the external credit rating of [A] will be maintained

Non-financial Targets

Environment			
Decarbonization	Percentage reduction of greenhouse gas emissions	Scope 1+2	42% down (FY 2030) compared to FY 2020
		Scope 3	25% down (FY 2030) compared to FY 2020
Resource recycling	Industrial waste final disposal ratio		1.5% or below (FY 2030)
Social			
Safety and Quality	Number of accidents resulting in injury or death/number of serious facility accidents		Aim for zero
Talent development	% of personnel with multiple qualifications		50% or more (FY 2026)

- **Environment**
  - Commenced operation of a hydrogen fuel cell power plant (September 2023)
  - Completed construction of a work center building, which is a ZEB (Net Zero Energy Building), at our Kanagawa branch (January 2024)
  - Achieved a CDP “Climate Change” B rating
- **Social**
  - Expanded the number of courses offered in “Mirai College”
  - Recognized as one of the “Excellent Health-Oriented Management Corporations 2024”
  - Awarded Three Stars in the 7th Nikkei “Smart Work Management Survey”



Management Resources

Management Resources as the Source of Sustainable Corporate Value Enhancement

Through our efforts towards the “MIRAIT ONE Group Vision 2030” and the “5th Medium-Term Management Plan,” the MIRAIT ONE Group will continue to refine the “strengths and characteristics” of six management resources, including non-financial capital. By focusing on strengthening “insufficient capital,” we will achieve steady profit growth, leading to improved capital efficiency and PBR as well as sustainable corporate value enhancement.



Human Capital

Striving for “business growth through human resource development” as the primary focus of value creation



Strengths and Characteristics

- Increase in specialized personnel for urban and regional development and corporate DX/GX, and trust from customers
- Smooth progress of PMI and personnel integration with newly consolidated companies such as Seibu Construction Co., Ltd., Kokusai Kogyo Co., Ltd., and Koyo Holdings Co., Ltd.
- Engineers with high problem-solving abilities/skilled workers/trusted construction managers
- Sales personnel who facilitate smooth relationships with customers

Further Strengthening Measures

- Strengthening recruitment activities as a unified effort by all executives and employees due to insufficient human resources to match increasing projects (securing and promoting diverse human resources)
- Expanding the value created per employee through promotion of multi-skilling (planned training based on the personnel training system, career advancement support through interview systems such as Micro CDP)
- Further accelerating the expansion of MIRAI (future) domains by promoting qualification acquisition in growth areas (reward system for qualification acquisition)
- Personnel exchanges to encourage experience in diverse operations and organizational cultures
- Strengthening engineering personnel (mid-career recruitment)
- DX human resource development

KPIs or Quantitative Targets, etc.

- Personnel shift to growth areas: Over 1,000 people (FY 2026)
- Improvement in engagement survey ratings
- For details, see “Human Resources Version: MIRAIT ONE's Value Creation Model” (→see page 37)

Intellectual Capital

Broad technology base and technical expertise including and urban and regional development and corporate DX/GX



Strengths and Characteristics

- Extensive multi-engineering experience and broad technology base acquired through M&A
- Advantages in management resources and technical expertise in ICT
- Skills in urban and regional development and corporate DX/GX, including areas such as power storage plants/smart grid/smart city
- 350 certified “Professional Engineers” in the MIRAIT ONE Group
- Processes and techniques of value engineering
- Expertise in quality control, occupational health and safety, and environmental protection

Further Strengthening Measures

- Further enhancement of research and development capabilities
- Further strengthening of construction management capabilities (utilization and continuous improvement of the “Construction Manager Handbook,” strengthening risk management skills)
- Improvement and development of materials and construction methods through KAIZEN proposal activities
- Introduction of new technologies and open innovation in MIRAI (future) domains

KPIs or Quantitative Targets, etc.

- Number of courses offered in “Mirai College”: Over 500 (FY 2026)

Engineering Capital

Business locations and group network providing high and consistent quality over a wide area



Strengths and Characteristics

- Business locations and Group company network spanning a wide range of countries and regions domestically and internationally
- Continuous updating of ICT service infrastructure and core systems
- Continuous updating of construction equipment (aerial work platform vehicles, etc.)
- Updating and improvement of various tools used in both new and existing solution businesses

Further Strengthening Measures

- Offensive DX (development of a knowledge-based data environment and optimization of sales approaches)
- Defensive DX (value chain reform, smart construction, and utilization of BPO/RPA/robotics)
- Utilization of generative AI
- SD-WAN (Software-Defined Wide Area Network)
- Construction and operation of own data centers
- Construction of Network DC (mechanism to link with rental data centers via underground cables)
- Strengthening of core systems (support for i-Construction)

KPIs or Quantitative Targets, etc.

- Improving profit margin of carrier business through DX reforms: 3 points or more (FY 2026)

Social and Relationship Capital

Continuously developing, expanding, and accumulating customer base and partnerships



Strengths and Characteristics

- Long lasting relationships with telecommunications carriers
- Expansion of a diverse customer base beyond telecommunications carriers
- Collaboration with municipalities and government agencies
- MIRAIT ONE Partners organized for co-creation among partner companies
- Expansion of customer base and increase in partner companies through the group integration of Seibu Construction Co., Ltd. and Kokusai Kogyo Co., Ltd., and “Tripartite Approach” and “synergy creation” with both companies
- Implementation of initiatives in line with the “Declaration of Partnership Building”

Further Strengthening Measures

- Addressing the materiality of “Co-creation of social value through collaboration with partners”
- Promoting strengthening of new technology adaptation capabilities and multi-skilling for partner companies as well
- Expansion of customer base and partnerships through further promotion of M&As
- Steady accumulation of achievements
- Clarification of quality standards and continuation of confirmation and verification of quality in each operation
- Continued disaster recovery response
- Continuation of community contribution activities and communication with local communities

KPIs or Quantitative Targets, etc.

- Cumulative number of Mirai College users: Over 23,000 people including partner company personnel (FY 2026)

Financial Capital

Improving PBR by balancing financial discipline and leverage effect



Strengths and Characteristics

- Implementing the growth strategy from a balance sheet perspective
- Implementing the B/S strategy and cash allocation plan for improving PBR
- Maintaining financial discipline
  - Rating and Investment Information, Inc. (R&I): A
  - Japan Credit Rating Agency, Ltd. (JCR): A+
- Pursuing financial leverage effect within the range of external “A” rating

Further Strengthening Measures

- Implementing proactive shareholder returns while focusing on growth investments
- Implementing cash allocation that links growth investments (human capital investment and business investment) with shareholder returns (stable dividend growth and flexible share buyback)
- Effectively utilizing cash inflow; in the 5th Medium-Term Management Plan, out of 210 billion yen cash inflow (140 billion yen from business profit, 10 billion yen from sale of idle real estate and strategic shareholdings, 60 billion yen from external borrowing), planning to use over 50 billion yen for human resources/DX/growth businesses, over 100 billion yen for M&As, and 60 billion yen for shareholder returns.

KPIs or Quantitative Targets, etc.

- ROE of 10% or higher, EPS growth rate of 10% or higher per year
- Setting total shareholder return ratio target range at 50% to 70%
- Actively retiring treasury stock that has no intended use

Natural Capital

Enhancing corporate value by contributing to the realization of a decarbonized society



Strengths and Characteristics

- Contributing to greenhouse gas reduction through addressing materiality: “Realization of a decarbonized society through business activities” and “Contribution to environmentally-friendly urban and regional development”
- FY 2030 greenhouse gas emission reduction targets certified by SBTi (Science Based Targets initiative)
- Achieved a CDP “Climate Change” B rating

Further Strengthening Measures

- In FY 2023, recorded net sales of 14.5 billion yen in the “Green Energy” business of the MIRAI (future) domains, 1.6 times the previous fiscal year (Solar power generation: 10 billion yen, EV chargers: 2.1 billion yen, Secondary cells: 2.4 billion yen)
- For FY 2024, aiming for net sales of 27 billion yen, 1.9 times that of FY 2023, by adding new grid energy storage and hydrogen businesses
- Over 80% renewable energy adoption for company-owned buildings (FY 2024 plan)
- Over 30% replacement of EV/HV for general-purpose vehicles (FY 2024 plan)

KPIs or Quantitative Targets, etc.

- Percentage reduction of greenhouse gas emissions (MIRAIT ONE Group excluding Kokusai Kogyo Co., Ltd.)
  - Scope1+2
    42% down (FY 2030) compared to FY 2020
  - Scope3
    25% down (FY 2030) compared to FY 2020
- Percentage reduction of greenhouse gas emissions (Kokusai Kogyo Co., Ltd.)
  - Scope1+2+3
    50% down (FY 2030) compared to FY 2019



Value Creation Model

Value Creation Process of MIRAIT ONE

As addressing the sustainability of the global environment and human species has become a pressing social issue, customer needs are shifting to complex/comprehensive themes such as “urban and regional development” and “DX/GX.” To respond to this trend, we are expanding our “Full-Value Model,” which simultaneously promotes “horizontal integration” that comprehensively combines various technical fields such as telecommunications, electricity, ICT, civil engineering, and architecture, and “vertical integration” that provides seamless services from planning and proposition to operation and maintenance.

In future, we will continue to expand the “MIRAI (future) domains” by leveraging the management resources we have cultivated since our establishment and will continue to strengthen based on our recognition of medium- and long-term opportunities and risks in recognition of materiality (→see pages 33-34). Our ultimate goal is to fulfill our mission to “contribute to a future of resilient and sustainable community and business,” thereby fulfilling our purpose (meaning of existence) and enhancing sustainable growth in corporate value.

Major management capital

Human Capital
- Number of employees (consolidated): 16,985
- Japan: 15,428 Overseas: 1,557

Intellectual Capital
- Percentage of personnel with multiple qualifications (non-consolidated): 50.9%

Engineering Capital
- Business locations: Networks spanning 15 overseas countries/regions and throughout Japan
- Number of group companies: 66 in Japan* 28 outside Japan**

* Includes MIRAIT ONE Corporation
** Excludes one privately held subsidiary of Kokusai Kogyo Co., Ltd.

Social and Relationship Capital
- Member companies of MIRAIT ONE Partners organized for co-creation among partner companies: Approximately 500 companies

Financial Capital
- Gross assets: 519.9 billion yen
- Net assets: 260.0 billion yen
- Interest bearing debt: 117.0 billion yen

Natural Capital
- Energy usage in FY 2023: 289,402 MWh
- including renewable energy used: 21,074 MWh

The business model “Full-Value Model”

Vertical integration
From planning and proposal to operation and maintenance

Responding to more complex and comprehensive needs

Urban and regional development

DX/GX

Planning
Proposal
Design
Construction
Operation
Maintenance

Horizontal integration
Multi-engineering

Software / Camera/Sensor / Wi-Fi/IoT/5G / PBX server NW / Mobile/Access / Electricity/Electrical Installation / Lighting/Air conditioning / Solar renewable energy EMS / Civil engineering / Architecture

Nine materialities ➡P33-34

Medium- and long-term opportunities and risks ➡P33-34

Corporate Governance

Business Activities

Environmental and Social Innovation Business
- Renewable energy
- Planning/consulting
- Electricity/Air conditioning
- Social infrastructure
- Architecture/Renovation, etc.

ICT Solutions Business
- Construction of ICT infrastructure
- Software business
- Global businesses
- Sale of goods, etc.

NTT business
- Construction and maintenance of fixed and mobile telecommunications equipment for NTT Group, etc.

Multi Carrier Business
- Construction and maintenance of fixed and mobile telecommunications equipment for NCC/CATV construction/ television reception measures, etc.

MIRAI (future) domains
- Urban and regional development / Corporate DX and GX
- Green energy business
- Software business
- Global businesses

Corporate Activities

Financial/Assets Strategy
- Initiatives to improve PBR
- Growth investments
- Shareholder returns

Impact on Environment and Society
(Positive aspects)
- Social contribution activities with biodiversity awareness
- Accidents resulting in serious facility damage: zero
- Diversity: Ratio of women in management positions: 4.1% (MIRAIT ONE Corporation only)

(Negative aspects)
- Accidents resulting in injury or death: 2 cases
- GHG emissions:
  Scope 1: 63,013(t-CO_2)
  Scope 2: 14,254(t-CO_2)
  Scope 3: 1,761,230(t-CO_2e)

Continuous Improvement of Company Value

Purpose
Co-creating an exciting future through challenges and technology

Goal
Contributing to a resilient and sustainable future for the regions/companies

Actual consolidated net sales for FY 2023
518.3 billion yen
MIRAI (future) domains ratio*
35%

* Figures are as of FY 2023 or March 31, 2024, unless otherwise noted.

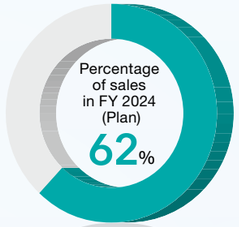


Business Strategies

Business Strategies

To achieve the desired business portfolio and ensure sustainable business growth, the MIRAIT ONE Group will seek to expand the customer base and the number of customers in the B2B and B2G (local governments, etc.) markets in the “Corporate/Environmental and social Infrastructure domain,” which merges environmental and social innovation business with the ICT Solutions Business. In the “Telecommunications infrastructure domain,” which combines the NTT business and the Multi Carrier Business, the Group will respond to the growth and evolving needs of telecommunications carriers, its primary main customers.

Corporate/Environmental and Social Infrastructure domain



Environmental and Social Innovation Business

Corporate/Environmental and Social Infrastructure domain

Basic Policy

The Group builds, maintains, and operates solar power generation systems, EV chargers, and secondary cell systems, as well as conducts hydrogen business demonstrations, supporting the spread of new energy infrastructures that contribute to society’s decarbonization. Additionally, we are building environmental and social infrastructure through projects such as electrical and air conditioning work, including utility pole removal and LED installation, water and sewage work, road infrastructure work, such as bridge construction, and civil engineering, architecture, and renovation works by Seibu Construction Co., Ltd., as well as planning and consulting services by Kokusai Kogyo Co., Ltd.

Performance Overview

In FY 2023, we achieved a revenue increase of 31.8 billion yen compared to the previous fiscal year, driven by strong performance in MIRAIT ONE’s renewable energy business and Seibu Construction Co., Ltd.’s architecture and renovation projects, as well as contributions from Kokusai Kogyo Co., Ltd.’s planning and consulting services. For FY 2024, we are planning for further revenue growth, supported by the green energy sector and electrical and civil engineering works, as well as the full-year contribution from Kokusai Kogyo Co., Ltd.

Market Growth Prospect/Strategy, etc.

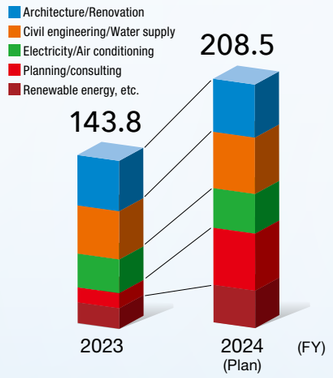
Taking advantage of the continued upward trend in the renewable energy market supported by global decarbonization efforts, we aim to grow our green energy business, where we have accumulated significant experience, knowledge, and expertise, and seek to expand our industrial power storage plant and interconnection business by leveraging our expertise in telecommunications construction. Furthermore, we will thoroughly implement risk management to ensure these efforts steadily translate into profits.

Advantages

- MIRAIT ONE’s implementation and operational capabilities
- Seibu Construction Co., Ltd.’s comprehensive strength and construction capabilities
- Kokusai Kogyo Co., Ltd.’s planning and consulting capabilities

Net sales

(Unit: billion yen)



ICT Solutions Business

Corporate/Environmental and Social Infrastructure domain

Basic Policy

With our ICT technology, we provide high-quality solutions that respond to a wide range of social and business issues, including introducing LAN/PBX and Wi-Fi, ensuring security, building management advancement, and promotion of operational efficiency. Also, we are strategically strengthening global businesses, which include the use of drones, the construction and operation of data centers where demand is significantly expanding due to the proliferation of generative AI, and the promotion of overseas data centers and infrastructure sharing abroad.

Performance Overview

In FY 2023, we achieved a revenue increase of 15.3 billion yen compared to the previous fiscal year. This was due to the completion of large-scale orders from the previous fiscal year for LAN, PBX, and Wi-Fi projects, as well as steady growth in “global businesses” and “software business,” which are key areas of our “MIRAI (future) domains”. For FY 2024, while we expect expansion in LAN and other areas, we are planning for a decrease in revenue due to factors such as a reduction in product sales.

Market Growth Prospect/Strategy, etc.

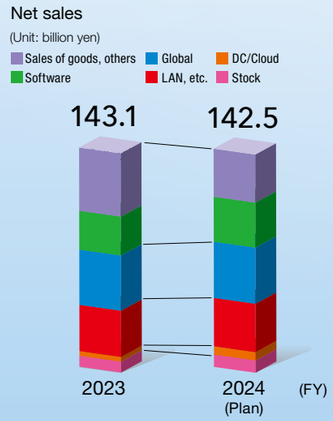
With the continued expansion of business opportunities, particularly in data center-related areas, driven by growing demand for generative AI and DX, we will continue to work on expanding our business scale and strengthening recruitment and development of human resources, including through collaboration within the Group.

Advantages

- Advanced ICT technologies cultivated in our pursuit of becoming a “comprehensive engineering and servicing company”

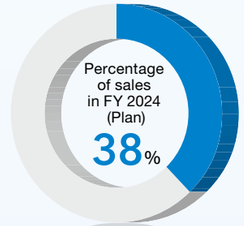
Net sales

(Unit: billion yen)



In FY 2024, the third year of our 5th Medium-Term Management Plan, we will focus on expanding our “MIRAI (future) domains” by leveraging the “Tripartite Approach” of our company, Seibu Construction Co., Ltd., and Kokusai Kogyo Co., Ltd. as a trigger, particularly by expanding synergies in Zero Carbon City projects and Public Infrastructure Management projects.

Telecommunications infrastructure domain



NTT business

Telecommunications infrastructure domain

Basic Policy

The Group will conduct the construction, maintenance, and operation of the NTT Group’s fixed and mobile telecommunications equipment, and support the dissemination of optical fiber networks and mobile networks. In the event of a disaster, the Group will assume the role of guardian of telecommunications networks by conducting emergency recovery and reconstruction. Although the domestic telecommunications construction market is slightly declining, we will continue to enhance the management resources and strengths that we have cultivated by operating in this market as our core business since the early years of the Group history, in order to contribute to the Group’s continuous growth.

Performance Overview

In FY 2023, we experienced a slight decrease in revenue (down 2.5 billion yen) compared to the previous fiscal year, as the impact of investment restraint continued in both fixed-line telecommunications construction and mobile 5G base station development. For FY 2024, we anticipate another decrease in revenue due to the ongoing effects of customer investment restraint and other factors.

Market Growth Prospect/Strategy, etc.

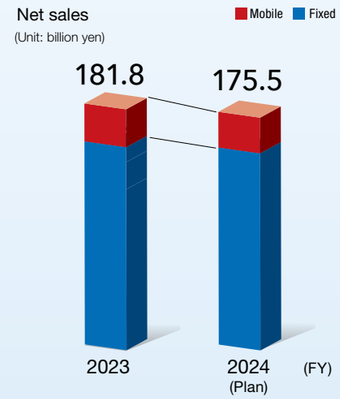
While NTT Group’s investment in telecommunications construction is declining, we will leverage our “field capabilities” and “carrier-grade technical expertise” cultivated in this sector to tap growth areas. In addition, we will expand our carrier business domain, particularly in the areas of local 5G, infrastructure sharing, virtualization, cloud services, and other related fields.

Advantages

- Field capabilities cultivated over nearly 80 years since our founding
- Long-standing trust relationship with NTT

Net sales

(Unit: billion yen)



Multi Carrier Business

Telecommunications infrastructure domain

Basic Policy

This business conducts construction, maintenance, and operation focusing on mobile communications facilities of non-NTT mobile networks to support the increasing speed and capacity. Currently, as the construction for expanding the 5G service area has almost completed, we will aim to expand our carrier business into new areas, similar to the NTT business.

Performance Overview

In FY 2023, although the situation varied among different telecommunications carriers, mobile 5G base station development and CATV-related projects both decreased due to the continued decline in orders that began in FY 2022, resulting in a revenue decrease of 10.3 billion yen compared to the previous fiscal year. In FY 2024, we anticipate another decrease in revenue due to a decline in mobile-related business.

Market Growth Prospect/Strategy, etc.

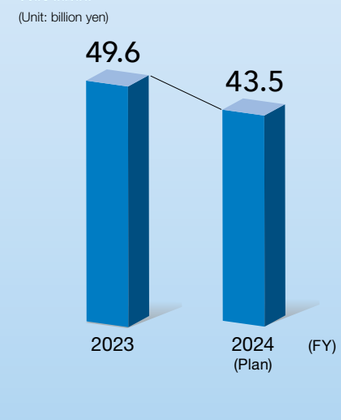
Capital investments in the mobile business of NCC carriers, which have continued to grow for several years, are expected to show a declining trend. We are also witnessing a shift in customers’ network investments to the virtualization/software domain. In light of these developments, we will prioritize the expansion of our carrier business in areas such as infrastructure sharing, virtualization, and cloud services, in line with the NTT business.

Advantages

- Field capabilities cultivated over nearly 80 years since our founding
- Trusted relationships cultivated with carriers

Net sales

(Unit: billion yen)



Digital Strategies

Advancing Management Based on Data Insights Through the Development of DX Core Human Resources

Accelerating digital strategy to enhance corporate value

Developing and Advancing the DX Foundation to Support the “Tripartite Approach”

As part of our efforts to maximize synergies in the “Tripartite Approach,” which we are promoting as our top priority strategy for FY 2024, we are focusing on “further development and advancement of the DX foundation.” This approach combines MIRAIT ONE's “implementation and operational capabilities,” Seibu Construction's “comprehensive strength and construction capabilities,” and Kokusai Kogyo’s “planning and consulting capabilities.” In particular, Kokusai Kogyo, which was consolidated in December 2023, possesses abundant digital assets and DX expertise, such as measuring, collecting, and digitizing all geographic information from space to the seafloor. We expect to create significant synergies with our traditional strengths and knowledge in the ICT field (→see page 7). Our group will support each key measure in the “Tripartite Approach” by developing and advancing the DX foundation, leading to sustainable growth and enhanced corporate value.

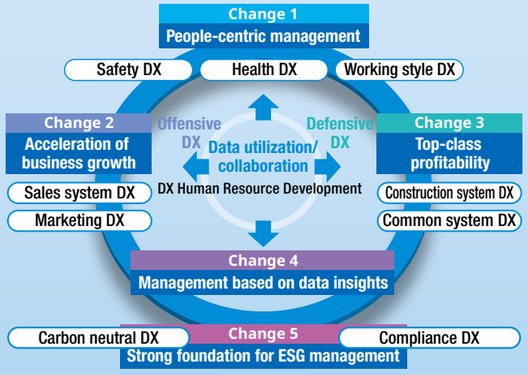
Change 4 “Management Based on Data Insights”

Achievements and Challenges in FY 2023/Key Initiatives for FY 2024 and Beyond

The MIRAIT ONE Group Vision 2030 and the 5th Medium-Term Management Plan include Change 4 “Management based on data insights” as one of the five business transformations. We are focusing on “offensive DX” (development of a knowledge-based data environment and optimization of sales approaches), “defensive DX” (value chain reform, smart construction, and utilization of BPO/RPA/generative AI/robotics), and “DX human resources development” (development of experts and core human resources and improvement of company-wide literacy) across the Group to realize the other four “Changes (growth strategies).” In this way, we are working to visualize all of our group’s value creation from both quantitative and qualitative perspectives, and to transform our business through the effective use of data. As part of this, we have already established an environment where all employees can use generative AI and have begun utilizing it in daily operations. Going forward, we will strengthen initiatives to not only have individuals use generative AI but also to link it to the overall competitiveness of the organization.

In FY 2023, the second year of the Medium-Term Management Plan, we systematized DX training and successfully developed “DX core human resources” of about 1,500 people responsible for planning and promoting DX in each organization. In FY 2024, we aim to expand this to about 1,800 people, gaining momentum towards achieving the FY 2026 goal of 2,000 people. For DX leader talent, we will focus on developing about 70 people in FY 2024, paving the way to achieve the goal of 250 people by FY 2026.

Moreover, in FY 2023, over 90% of the talent in MIRAIT ONE and major Group companies took DX literacy courses. In addition, all executives leading and monitoring these initiatives attended DX executive seminars, accelerating the development of DX human resources across the Group.



Goals of the 5th Medium-Term Management Plan

DX core human resource development (By FY 2026)

Development of approximately 2,000 core human resources

Furthermore, as mentioned earlier, we began utilizing generative AI in January 2024, with 14,000 employees completing usage training and 600 employees using it 14,000 times per month, demonstrating its increasing integration into business workflows. For FY 2024, we aim to achieve 1,000 active users, and we're targeting 3,000 active users by FY 2026. Through this initiative to promote AI utilization, we will further accelerate DX and strive to improve productivity.

Goals of the 5th Medium-Term Management Plan

Improve profit margin of carrier business through DX reforms (By FY 2026)

3 points or more

Data Insight Initiatives for “Improving Business Forecast Accuracy” and “Optimizing Engineer Resources”

Furthermore, as a data insight initiative closely aligned with our on-site operations and nearest to the value creation process, we have been working on “visualizing future completion” by utilizing a “completion forecast tool” since FY 2023. Specifically, by employing this tool across all solution organizations (including branch offices), we visualize “completion forecasts within the fiscal year,” “three-year completion forecasts,” and “engineer allocation status.” Through this, we have realized “improved business forecast accuracy” and “optimized engineer resources,” thereby accelerating productivity improvements through management based on data insights.

Accelerating Efforts for 5 Changes Through Continued Top-Down Approach and Monitoring by the “DX Promotion Committee”

In order to comprehensively promote and accelerate the realization of the other four Changes through DX in Change 4 “Management based on data insights,” including the series of initiatives mentioned on the left, the Group has organized a DX Promotion Committee chaired by the CDO directly under the President and CEO, and is promoting various measures across the organization under this committee and five subcommittees (Marketing, Sales, Construction, Procurement, and Data Driven Management). The DX Promotion Committee then manages progress under evaluation indicators set for each DX.

DX Human Resource Development

In addressing the company-wide challenge of developing DX human resources, prior to nurturing the aforementioned “DX core human resources,” “Mirai College” holds a “DX Basic Course” for all employees to acquire basic DX literacy and mindset. All employees of MIRAIT ONE completed the course by June 2023, and so did all employees of major Group companies by the end of FY 2023. (Implementation is ongoing for companies that newly joined the Group).

■Desired DX human resources profile and target numbers



In addition, to develop expert human resources (data scientists), who are indispensable not only to improve operational efficiency through DX, but also to realize high value-added business operations, we will not only train internal human resources, but also strengthen mid-career hiring and collaboration with external human resources to enhance the ability to utilize data throughout the entire organization.

In order to raise the DX mindset and literacy of management, who are responsible for formulating a series of DX strategies and monitoring their progress, we are also promoting DX reform company-wide by offering DX courses for executives.

Fostering a DX Promotion Mindset with “KAIZEN” as a Keyword

To foster a DX promotion mindset among all Group employees, which is the foundation for DX reform, we are holding the “DX & KAIZEN Award” from FY 2022. The event, which has added DX reform case studies to the existing KAIZEN convention theme, presents awards for best practices, and aims to accelerate DX reform throughout the Group by horizontally spreading successful examples to other business locations through the utilization of the Group’s common platform (DX & KAIZEN and WLS Reform-Gallery). In FY 2023, the second event since the establishment of the MIRAIT ONE Group was held, with approximately 23,000 cumulative views during the three-week online event period. As well, to further invigorate smart work-lifestyle reform activities, we presented awards for initiatives that link the results of DX & KAIZEN to smart work-lifestyle reform.

We will continue to focus on DX to translate the ingenuity and business improvement mindset we have built up over many years of KAIZEN activities into fundamental business transformation.

External Evaluation in DX

In June 2021, our company obtained DX Certification from the Ministry of Economy, Trade and Industry (METI). This certification was awarded in recognition of our proactive promotion of DX, primarily in four growth areas: “IoT, 5G, and ICT,” “Smart Civil Engineering,” “Renewable Energy,” and “Global Engineering,” as well as our fundamental improvements in the efficiency of social infrastructure construction and operation.
In June 2023, the certification was renewed in recognition of the progress of the business model and Change 4 “Management based on data insights” direction, strategies and tactics based on MIRAIT ONE Group Vision 2030.

DX認定

Furthermore, in June 2022, we were selected as one of the “DX Hot Companies 2022” by the METI, the Tokyo Stock Exchange (TSE), and the Information-technology Promotion Agency, Japan (IPA), in recognition of our environmental and social innovation business based on know-how cultivated in the telecommunications construction industry, promotion of ICT Solutions Business, entry into green power business, development of new businesses through promotion of various DX initiatives (such as store DX using electronic shelf labels, 3D point cloud, water pipe business, etc.), and efforts to shift business structure to a Full-Value Model, etc.

DX注目企業2022 Digital Transformation



Material Issues and Growth Strategies

Close Interlocking of Materiality and Growth Strategies

For the realization of mid-and long-term sustainable growth and the improvement of corporate value, the Group needs to capture abundant business opportunities such as accelerating global efforts toward decarbonized society, while taking measures against various risks related to human resources and climate changes. In our approach to addressing materiality, formulated based on the recognition of these opportunities and risks, we have clarified the social problems that the MIRAIT ONE Group should focus on and have identified the opportunities and risks associated with each materiality. We have incorporated them into key initiatives of our medium-term management plan.

Materiality Identification Process

Extraction and categorization of social issues
Extract issues based on the GRI Standards, ISO 26000, and other major international guidelines on the social responsibility of organizations, as well as the SDGs and evaluation items of ESG evaluation organizations.

Prioritization
Evaluate and prioritize the extracted issues from the perspective of stakeholders' expectations and the MIRAIT ONE Group's contribution to society.

Validation and identification
Confirm the appropriateness of the material issues in terms of their alignment with the MIRAIT ONE Group's management issues, discuss business risks and opportunities for future value creation at the Committee, and identify the material issues through deliberations at meetings of the Board of Directors, etc.

Review
Perform activity evaluation and disclose the results in the Integrated Report, etc., review them based on external experts, international goals and guidelines, evaluations by evaluation organizations, etc., and use the results to revise materiality items and goals and improve the content of disclosure as well as incorporate them into business operations.

Medium-term, Long-term, and Continuous Improvement of Company Value

Accomplish the **MIRAIT ONE Group Vision 2030** by evolving to a company group that continuously contributes to the solution of various social problems in a wider area of social infrastructure.

Drive materiality initiatives as
the non-financial targets and as key initiatives of the 5th Medium-term Management Plan (2022-2026)



Materiality			Medium- and long-term opportunities and risks ■ Opportunities ○ Risks	Non-financial targets being promoted in the Medium-Term Management Plan	Results of FY 2023	Initiatives/Targets for FY 2024	Covered SDGs
Building and Maintaining an Environmentally-Friendly Society	Environment	Realization of a decarbonized society through business activities	■ Expansion of various business opportunities associated with decarbonization ○ Intensification of natural disasters, etc. (transition risk/physical risk)	■ Reduction of greenhouse gas emissions by FY 2030 42% reduction from the FY 2020 level (scope 1+2) 25% reduction from the FY 2020 level (scope 3) ■ Promotion of green products procurement ■ Reduction of industrial waste final disposal ratio: 1.5% or below by FY 2030	■ Achieved a CDP "Climate Change" B rating ■ Transition to renewable energy for power used in company-owned buildings: 63% completed ■ Percentage of EV/HV for general-purpose vehicles: 24% replaced ■ Industrial waste disposal ratio: 2.28% ■ Further promotion of recycling	■ Transition to renewable energy for power used in company-owned buildings: over 80% completed ■ Percentage of EV/HV for general-purpose vehicles: over 30% replaced ■ Complete introduction of electronic manifests	
		Contribution to environmentally-friendly and resilient urban and regional development	■ Growing needs for regional revitalization/smart city ○ Delay in "horizontal integration" and "vertical integration" of the Full-Value Model				
Building and Maintaining a Safe, Secure, and Prosperous Society	Society	Safety and quality improvement	■ Securing human resources through the pursuit of safety-first quality and enhancing brand power ○ Loss of confidence and business opportunities due to accidents	■ Elimination of accidents resulting in injury or death/serious facility accidents: Aiming for zero	■ Number of serious facility accidents: 0 ■ Number of accidents resulting in injury or death: 2 ■ Increased introduction of NW cameras for on-site monitoring	■ Consolidation of monitoring operations Expansion to the entire verification group	
		Co-creation of social value through collaboration with partners	■ Establishing and expanding the ecosystem by increasing the number of co-creation partners ○ Reduced capacity to respond to change resulting from long-term fixation of partnership				
Building and Maintaining a Culture Where People Respect the Diversity of Human Resources and Learn from Each Other		Promotion of human resource development, work style reform, and health and productivity management	■ Resolving social problems with People-centric management ○ Decrease in growth potential due to deterioration of or damage to human capital	■ Creating human resources for growth areas: Over 1,000 people ■ Improvement in engagement survey ratings ■ Percentage of personnel with multiple qualifications: Target 50% or more by FY 2026	■ Creating human resources for growth areas: 300 people* ■ Engagement survey rating: B (Score: 49 points) * ■ Percentage of personnel with multiple qualifications: 50.9%* ■ Number of courses offered in "Mirai College": 333 ■ More Group companies recognized as Excellent Health-Oriented Management Corporations	■ Expanded the number of courses offered in "Mirai College" (Plan: 400 courses) ■ Formulating the "Human Resources Version: MIRAIT ONE's Value Creation Model" (see page 37)	
		Respect for human rights and promotion of diversity and inclusion	■ Increase in value creation potential with diversification of ideas and concepts ○ Malfunctioning of the value chain due to the emergence of human rights risks				
Building and Maintaining a Fair and Transparent Corporate Group	Governance	Enhancing Corporate Governance	■ Increase in business opportunities and corporate value by enhancing the soundness and transparency of management ○ Governance failure and loss of confidence due to a decline in checking functions	■ Strengthening corporate governance through the System of Company with Audit and Supervisory Committee	■ Prepared to establish a Business Risk Management Office to prevent recurrence of large unprofitable projects	■ Maintaining and further strengthening the corporate governance system ■ Thorough implementation of the Charter on Safety and Compliance ■ Monitoring by the Business Risk Management Office and the Risk Management Committee	
		Thorough Compliance	■ Strengthened business processes through strict legal compliance initiatives ○ Decrease in confidence and business opportunities due to compliance violations				
		Thorough Risk Management	■ Reducing capital costs and increasing corporate value by decreasing factors that inhibit medium-and long-term growth ○ Manifestation of risks, resulting in deteriorating business performance and decline in corporate value				

*Non-consolidated MIRAIT ONE Corporation only

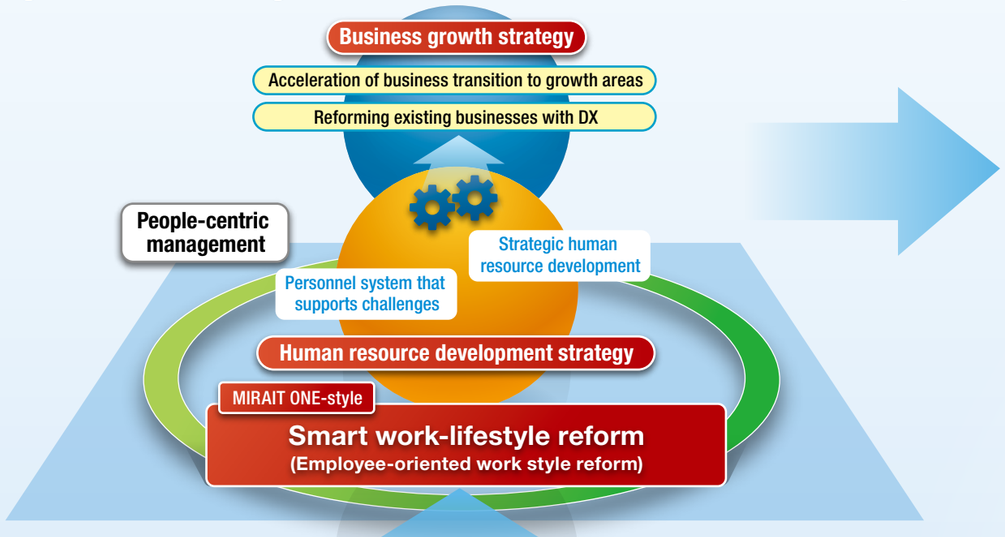


Human Resource Strategies

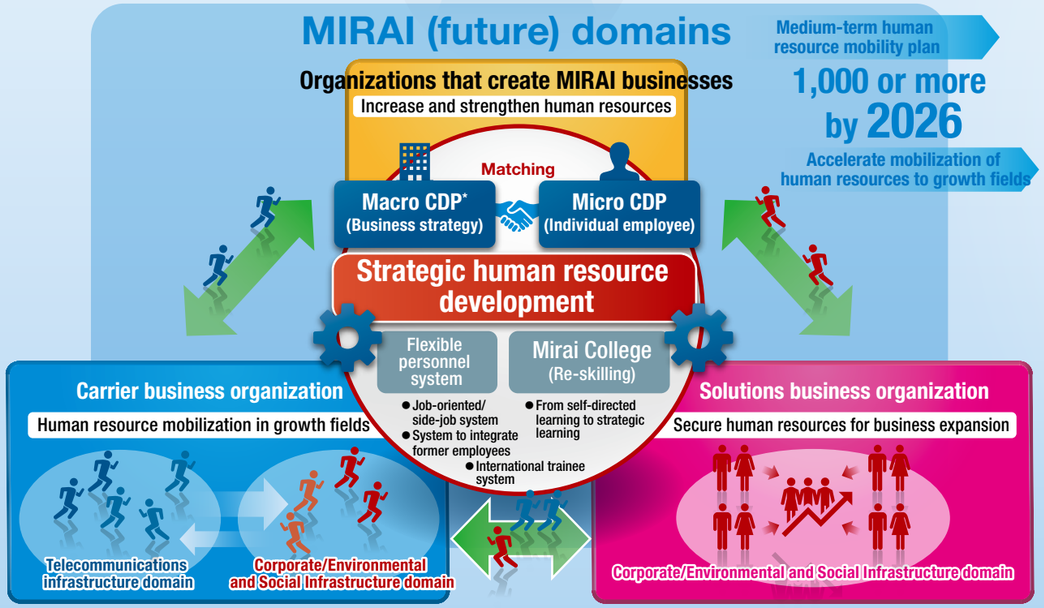
Focus on Business Growth and Transformation through Human Resource Development

To accelerate our business transformation towards going “Beyond a Telecommunications Construction Company,” we have been intensifying the following human resource development strategy since FY 2023. From FY 2024, we have formulated the “Human Resources Version: MIRAIT ONE’s Value Creation Model” as a value creation story that closely aligns this initiative with our Group-wide management strategy and directly links it to enhancing corporate value.

“Change” to business growth based on human resource development



“Start” human resource development strategies for business growth



*Career Development Program

“Accelerate” business transition to growth areas

1 Expansion of green energy business

The Group aims to expand its business through a company-wide commitment to new areas such as industrial power storage plant, interconnection business, and hydrogen business in addition to the conventional initiatives that include voluntary solar power plant construction and electricity sales.

	FY 2022	FY 2023	FY 2024 plan
Expansion of green energy business			27.0 billion yen
	9.0 billion yen	14.5 billion yen	
Solar power generation	6.8 billion yen	10.0 billion yen	
EV charger	1.3 billion yen	2.1 billion yen	
Secondary cell	0.9 billion yen	2.4 billion yen	
NEW Grid energy storage		0.8 billion yen (orders received)	
NEW Hydrogen business		Demonstration test (Fukushima Prefecture)	

Net sales target for FY 2026: 30 billion yen or more

2 Acceleration of urban and regional development business

We will accelerate the expansion of this business by horizontally deploying successful cases of our “Full-Value Model” nationwide. Furthermore, we will continue to expand our “Tripartite Approach” with Seibu Construction Co., Ltd. and Kokusai Kogyo Co., Ltd. through the same model.

	FY 2022	FY 2023	FY 2024 plan
Promotion of urban and regional development and corporate DX/GX			12.0 billion yen
	1.0 billion yen	3.0 billion yen	


New SAITAMA Stadium (Image provided by Kumagai Gumi Co., Ltd.)

- Large-scale sports complex construction
- Container-type data center-related construction
- Industrial water smart meter (City K)

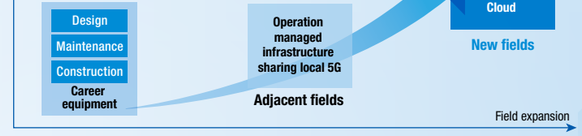

Container-type data center

Net sales target for FY 2026: 30 billion yen

3 Expansion of career business domains

The Group will seize the opportunities presented by the evolving business and investment landscape faced by our customer in the telecommunications construction business and leverage its expertise in ICT technology to expand it as a new business area.

Deployment of Full-Value Model in career business



Net sales target for FY 2026: 25 billion yen or more

4 Strengthening of software business

The Group aims to achieve rapid business expansion by mobilizing specialized human resources from within the Group. This strategic approach is in line with the growing significance of software business, driven by the development of corporate DX and infrastructure virtualization.

System development enabled by telecommunications construction company
Compliance with NW virtualization, i-Construction, IOT data analysis, etc.

Supports digital transformation of customers and own Group
Utilization of latest ICT technology

MIRAIT ONE SYSTEMS Corporation
Consolidation of software-related resources
Development scale↗
Human resource hiring/ training potential↗

Net sales target for FY 2026: 50 billion yen

5 Strengthening of global businesses

In global businesses, the focus will be on strengthening the business portfolio with an emphasis on data center-related business and telecommunication tower business, as well as expanding new areas such as green energy-related business.

	FY 2022	FY 2023	FY 2024 plan
	Net sales 30.0 billion yen	36.0 billion yen	37.0 billion yen
	Singapore, Australia, Philippines		
Tower business		1.5 billion yen	
Green energy business		3.1 billion yen	
Electrical equipment construction		3.1 billion yen	
NEW		Implementation of international trainees (5 individuals)	

Net sales target for FY 2026: 50 billion yen

Human Resource Strategies

CHRO Message

We aim for sustainable enhancement of corporate value through Human Resources Version: MIRAIT ONE's Value Creation Model (human capital management)



Director and Managing Executive Officer CHRO
WAKIMOTO Hiroshi

Human Capital: Diverse specialized human resources to support technology (17,000 Group members)

INPUT: Major investment themes to enhance human capital	Business Activities: Key Initiatives	OUTPUT: KPI (initiative-related) performance (targets)	FY 2023 performance (targets)*1	OUTCOME: FY 2026 targets
(1) Creating human resources for growth areas	• Matching macro and micro ・One-on-one interviews ・Autonomous career paths	• Number of interviewees in 1-on-1 meetings*4	Approx. 2,400 people	Forming a group of human resources that will transform the future Creating human resources of over 1,000 for growth areas (FY 2026 target) Approx. 300 people (FY 2023 results)
		• Number of strategically seconded employees*5	30 people	
	• Utilization of Mirai College	• Number of participants in Mirai College growth area courses	Approx. 15,000 people*2	
	• Strategic strengthening of internal human resources	• Percentage of personnel with multiple qualifications*6	50.9% (FY 2026: over 50%)	
(2) Recruiting and developing competitive human resources	• Acquisition of external human resources ・New graduate recruitment by course	• Number of mid-career hires	78 people	
		• Number of new graduate hires	70 new hires in FY 2024 (FY 2025: 100 new hires)	
	• Preventing turnover among young employees	• 3-year turnover rate	6.8%	
		• Number of interviews by mentors*7	573 interviews	
	• Developing engineers to support the business	• Number of qualified personnel supporting the business	2,677 people including Qualified Managing Engineers	
	• Developing engineers to support new businesses ・Acquisition of engineers through M&A	• Number of multi-skilled software professionals	261 people currently being developed*8	
		• Number of highly specialized engineers*9	497 people including professional engineers*3	
	• Expansion/enhancement of Mirai College	• Number of courses offered in Mirai College	333 courses (FY 2026: 500+ courses)	
		• Total number of Mirai College users	Approx. 19,000 people (FY 2026: 23,000+ people)	
	• Developing human resources for management candidates through succession plans	• Total number of participants in Mirai Juku	51 people*2	
		• Number of executive and management seminars held	9 times/year	
(3) Promoting diverse human resources and creating a diverse and flexible work environment	Expanding opportunities for women's advancement	• Ratio of women in managerial positions	4.1% (FY 2030: 5%)	Smart work-lifestyle reform Engagement survey Rating: B (Score: 49 points) (FY 2023 results)
	• Promotion of female managers and executive	• Ratio of female executives	15.8%	
	• Support for the advancement of female engineers	• Ratio of engineers among female employees*10	38.4% (FY 2030: 50%)	
	• Strengthening of recruitment of new female employees	• Ratio of women in new graduate hires	27.1% of new graduate hires in FY 2024 (FY 2025: 25%)	
	DX human resource development	• Number of DX core human resources	Approx. 1,500 people (FY 2026: 2,000 people) *2	
	Development of global human resources	• Number of international trainees	5 people	
	• Promotion of taking annual leave	• Rate of annual leave taken	73.5% (FY 2025: 70%)	
		• Number of times recommended days for annual leave (bridge days) are set	17 times	
	• Encouragement for male employees to take parental leave	• Rate of parental leave taken by male employees	87.5% (FY 2025: 100%)	
	• Promotion of flexible work styles	• Hybrid implementation rate in key meetings	100%	
	• Expansion of flexible systems	• Number of internal side-job holders	70 people	
(4) Promoting health-oriented management	• Support for improving awareness of physical and mental health	• Health check-up participation rate	100%	
		• Comprehensive medical examination participation rate	78.3% (FY 2024: 80%)	
	• Promotion of health initiatives	• Number of participants in walking events	869 people (FY 2024: 900 people)	
	• Establishment of an occupational health system	• Re-examination participation rate	45%	
	• Implementation of mental health measures	• Stress check participation rate	99.2%	
		• Percentage of highly stressed employees	11.3% (FY 2024: 10%)	
	• Implementation of Wfun (a presenteeism measurement tool)	• Presenteeism	B rating	
	• Support for enhancing awareness of labor safety	• Number of work-related accidents <fatalities>-(employees)	0 cases (FY 2024: 0 cases)	

Mission

Sales target: 720 billion yen or more

With MIRAI (future) domains ratio 40% or more

"Beyond a Telecommunications Construction Company"

A future implementation company contributing to society with full value

*1: Disclosure scope: MIRAIT ONE Corporation (non-consolidated) excluding items marked with *2 or *3. *2: Disclosure scope: MIRAIT ONE Group. *3: Disclosure scope: MIRAIT ONE Corporation (non-consolidated) & Kokusai Kogyo Co., Ltd. (non-consolidated) *4: Number of interviewees for development interviews conducted as part of the Micro (employee) CDP.
*5: Number of individuals who have implemented or experienced growth areas through contracts such as secondments outside the company. *6: Number of individuals with qualifications spanning two or more fields. *7: Follow-up interviews for early turnover countermeasures for young employees. *8: In FY 2023, 28 individuals completed the foundational course.
*9: Professional engineers, first-class certified architects, and first-class chief electricity engineers, etc. *10: Proportion of female engineers among all female employees.

Formulation of "Human Resources Version: MIRAIT ONE's Value Creation Model" as a Value Creation Story Connecting Management Strategy and Human Resource Development Strategy

The MIRAIT ONE Group has formulated and disclosed the "Human Resources Version: MIRAIT ONE's Value Creation Model" in June 2024 to further accelerate the "MIRAIT ONE Group Vision 2030," which we have been focusing on since FY 2022, and Change 1 "People-centric management" from the 5th Medium-Term Management Plan, as well as the "Business Growth through Human Resource Growth" that we have been fully implementing since FY 2023. Our group is developing this model as a "value creation story that connects management strategy and human resource development strategy." We will promote various measures in "People-centric management" and "Human Resource Growth Strategy" by categorizing them into four investment themes: "Creating human resources for growth areas," "Recruiting and developing competitive human resources," "Promoting diverse human resources and creating a diverse and flexible work environment," and "Promoting health-oriented management." Since FY 2024, we have set "Creating 1,000 or more human resources for growth areas (by FY 2026)" and "Engagement score rating" as representative KPIs for these investments. Through these efforts, we are implementing a PDCA cycle aimed at realizing the "MIRAIT ONE Group Vision 2030," the 5th Medium-Term Management Plan, and sustainable enhancement of corporate value.

Creating human resources for growth areas

We continue to focus on "creating human resources for growth areas" and the "Mirai College" initiative towards "creating human resources for growth areas" and "recruiting and developing competitive human resources," themes in our business portfolio transformation to go "Beyond a Telecommunications Construction Company." In FY 2023, MIRAIT ONE Corporation (non-consolidated) conducted approximately 2,400 one-on-one interviews to match macro CDP* with micro CDP, and promoted the creation of about 300 human resources. We aim to steadily achieve the FY 2026 goal of creating "over 1,000 human resources" in growth areas by continuing efforts to create over 200 human resources in FY 2024. During the above one-on-one interview process, we confirmed that many employees are willing to take on challenges in growth areas such as "MIRAI (future) domains" aimed at going "Beyond a Telecommunications Construction Company." However, many also expressed a desire to value the skills and experiences they've cultivated in the telecommunications infrastructure domain. In response, we strengthened mechanisms allowing employees to challenge new areas without department transfers and enhanced supervisors' interviewing skills through specialized training to better understand employees' hopes and true feelings.

The "Mirai College," established in 2022 for "individual reskilling," a prerequisite for human resource mobility, expanded to 333 courses in FY 2023, focusing on new themes related to growth areas. In total, approximately 19,000 people, including those from our group and partner companies, utilized these courses. In FY 2024, we plan to further expand the number of courses (to 400) and promote increased usage among Group and partner companies, striving to achieve our FY 2026 goals of "over 500 courses" and "over 23,000 total users." Additionally, we will accelerate the acquisition of multiple qualifications by further strengthening the quality and quantity of training menus.

*Career Development Program

Recruiting and developing competitive human resources

With the expansion of societal needs for "corporate DX and GX" and "urban and regional development," along with the progress of our aforementioned business portfolio transformation, the number of "MIRAI (future) domain" projects has been steadily increasing and a labor shortage has become apparent. Therefore, we are focusing on recruiting human resources. In FY 2023, we particularly strengthened our new graduate recruitment efforts. We appointed a professional as the recruitment manager and significantly expanded our recruitment organization. Additionally, we revamped our recruitment scheme through initiatives such as unified recruiter activities involving executives and employees, utilization of social media, and introduction of casual interviews. As a result, we achieved a significantly higher number of new graduate hires compared to the previous fiscal year. For cutting-edge fields in the "MIRAI (future) domains" and global businesses, we are focusing on mid-career recruitment of external talent. Regarding retention, whether for new graduates or mid-career hires, we are making efforts to ensure that newly recruited talent becomes productive and remains with the company. This includes carefully listening to their preferences before department assignments and providing thorough explanations of job descriptions.

Incorporating Synergy Creation through the "Tripartite Approach" and PMI Contribution as One of the Evaluation Criteria for Executive Compensation

In the ongoing process of "forming a group of human resources that will transform the future," we will continue to focus on acquiring engineers to support new businesses through M&A activities. In the Post-Merger Integration (PMI) with Seibu Construction Co., Ltd. and Kokusai Kogyo Co., Ltd., which became group companies in 2022 and 2023 respectively, we will maximize synergies through a "Trinity Approach" centered on the fusion of human resources from both companies and our company. To steadily advance this initiative under management leadership, in the operation of our executive compensation system, we will continue to use "consolidated operating income," "ROE," and "ESG indicators" as evaluation criteria for performance-linked compensation. Additionally, for relevant executives, we have included "contribution to synergy creation" as one of the evaluation items, aiming for early maximization of synergies.

Launch of "Engagement Survey" from FY 2023

As part of ongoing monitoring to appropriately evolve the "Human Resources Version: MIRAIT ONE's Value Creation Model," we launched a new engagement survey in FY 2023, which will serve as a fixed point of reference. In FY 2023, this survey was conducted with approximately 3,500 employees of MIRAIT ONE Corporation (non-consolidated), resulting in a rating of B (score: 49). Going forward, we plan to further promote smart work-lifestyle reform and accelerate the PDCA cycle to enhance employee engagement.

Building and Maintaining a Culture Where People Respect the Diversity of Human Resources and Learn from Each Other

—Materiality—

Promotion of human resource development, workstyle reform, and health-oriented management

In the materiality, “Promotion of human resource development, workstyle reform, and health-oriented management,” we aim to achieve “smart work-lifestyle reform” by working on human resource development for sustainable growth as well as pursuing the investment themes in the Human Resources Version: MIRAIT ONE's Value Creation Model, such as “Promoting diverse human resources and creating a diverse and flexible work environment” and “Promoting health-oriented management.” Our goals for FY 2026 include achieving “720 billion yen in net sales,” “MIRAI (future) domains ratio of 40%,” “Beyond a Telecommunications Construction Company,” and “a future implementation company contributing to society with full value.”

Human Resource Development Measures for Sustainable Growth

Personnel Training System

The personnel training system of the MIRAIT ONE Group comprises the “sectorial model system,” designed to enhance specialized professional capabilities for business operations, and “stratified training system,” aimed at promoting mastery of universal know-how required at each professional level. Together, the system supports the growth of each employee and systematically reinforces human capital that backs up future business growth.

From introductory training for workers who have just joined the company to training for senior managers, our program is designed to enable each employee to acquire the skills and knowledge required to fulfill the roles expected at the respective level, as well as skills and knowledge they need to learn in each career stage. In particular, we offer extensive education and training programs for new employees, which are designed to enable them to succeed in their careers regardless of whether they have a scientific or liberal arts background. Additionally, we have established an interview program to match macro CDP (business strategy) with micro CDP (employees) through dialogue, encouraging active challenges in obtaining various qualifications. We also respond to individual employees' growth aspirations by implementing a reward system based on the difficulty level of qualifications. Furthermore, we conduct training for developing DX human resources and have introduced an internal DX certification system.

Mentoring Program

We have a mentoring program in place for new employees. Under this program, a senior employee is appointed as the mentor for each new employee, aside from his or her supervisor at the assigned section, to provide guidance and counseling. The program is designed to encourage new employees (mentees) to grow spontaneously and autonomously through awareness and advice based on dialogue. The feedback on regular reporting and monthly interviews in this program support the growth of new employees as well as that of senior employees who serve as mentors.

Training Programs at Overseas Operations

The MIRAIT ONE Group conducts various training programs for employees hired at their overseas locations. For instance, the Lantrovision Group assigns a full-time staff in charge of human resource development and training. The Group provides a wide range of programs from basic training on on-site cable design, construction, testing, etc. to practical training involving bidding, quoting, and contracts to raise employees’ skills and motivation. In addition, the Group has taken the initiative in obtaining cable vendor certifications to strengthen quality control, improve customer satisfaction and bolster business competitiveness.

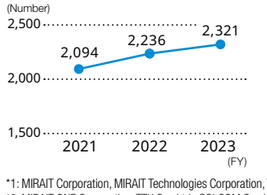
We also recruit and dispatch overseas trainees, mainly young employees of the MIRAIT ONE Group, to learn technologies in green power generation projects promoted by our overseas subsidiaries and to develop human resources that will support our global businesses in the future.

Changes in the number of employees with qualifications in the past three years

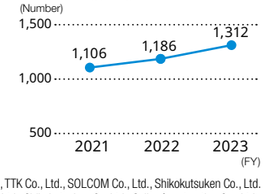
(Number)

Main qualifications	FY 2021*1	FY 2022*2	FY 2023*3
Installation Technician (Types AI/DD)	761	792	902
First-Class Electrical Construction Managing Engineer	386	400	389
First-Class Construction Managing Engineer	354	548	574
First-Class Certified Architect	15	86	90
Qualified Managing Engineer	2,108	2,621	2,665
First-Type Electrical Worker	438	423	405
First-Class Technical Radio Operator for On-The-Ground Services	186	244	268
On-The-Ground I-Category Special Radio Operator	1,328	1,408	1,473
First-Class CATV Engineer	34	50	47
Cisco Certified Internetwork Expert (CCIE)	49	40	42
Information Technology Engineer (Basic/Applied)	277	304	489
JUIDA Operation Skill	103	160	167
IT Passport	829	882	823

Changes in the number of qualifications: Electrical Worker (Type 1/Type 2)



IChanges in the number of qualifications: Information Technology Engineer or IT Passport



*1: MIRAIT Corporation, MIRAIT Technologies Corporation, TTK Co., Ltd., SOLCOM Co., Ltd., Shikokutsuken Co., Ltd.
*2: MIRAIT ONE Corporation, TTK Co., Ltd., SOLCOM Co., Ltd., Shikokutsuken Co, Ltd., Seibu Construction Co., Ltd., MIRAIT ONE SYSTEMS Corporation *3: MIRAIT ONE Corporation, TTK Co., Ltd., SOLCOM Co., Ltd., Shikokutsuken Co., Ltd., Seibu Construction Co., Ltd., MIRAIT ONE SYSTEMS Corporation, Kokusai Kogyo Co., Ltd.

Initiatives for Smart Work-Lifestyle Reform

Promoting Diverse Human Resources and Creating a Diverse and Flexible Work Environment

In the third investment theme of the Human Resources Version: MIRAIT ONE’s Value Creation Model, “Promoting diverse human resources and creating a diverse and flexible work environment,” we continue to focus on “personnel system reform” and “MIRAIT ONE’s smart work-lifestyle reform” to provide support for the aforementioned “human resource development strategy” and “forming a group of human resources that will transform the future.” In the area of “personnel system reform,” we launched comeback hiring in FY 2023. Additionally, 14 employees have been working under the job-based employment system, and 70 employees are engaged in the internal side jobs, showing progress in the adoption of flexible personnel systems. Additionally, we established the “Work-Lifestyle Reform Award” as an internal recognition program to promote awareness of personal reform under the motto “Create 20%, Utilize 20%.” This award recognizes exemplary cases that actively utilize new systems, such as hybrid working styles (real/remote) and meeting management, to promote and accelerate work-lifestyle reform. Furthermore, as mentioned earlier, we have initiated an engagement survey to visualize the progress and penetration status of smart work-lifestyle reform.

To Further Improve Job Satisfaction and Engagement

Development of a Comfortable Working Environment

The MIRAIT ONE Group has in place a compensation system that outperforms labor-related laws and regulations, beyond compliance with the Labor Standards Law and other labor-related laws and regulations, to enhance employees’ job satisfaction even further. In respect of the idea of equal pay for equal work, we ensure that non-regular employees are treated fairly and equitably with regular employees. For instance, non-regular employees are compensated at the same extra rate as regular employees for special work and overtime allowances, etc., and granted special leave and offered opportunities for promotion to regular employees.

System That Outperforms Labor-Related Laws and Regulations

- Regular working hours (per week, per day)
- Break time and days off
- Number of days of annual paid leave granted by the year of employment
- Extra pay for overtime, holidays, and late nights, etc.

Optimization of Overtime Work and Encouraging Employees to Take their Annual Leave

Our goal is to create a worksite environment where employees find it easy to balance work and family life and promote their well-being. To this end, we have introduced no-overtime days, encourage employees to leave work on time, and support employees taking their annual paid leave before or after the Golden Week holidays, New Year holidays, summer vacation, etc. Additionally, we recommend bridge holidays to extend fragmented holidays into longer breaks, plus-one holidays to add an extra day to long weekends, and post-project vacation.

We are committed to reducing total working hours by raising operational efficiency through KAIZEN (improvement) activities and promotion of ICT utilization at each workplace, and using a PC log system to monitor/record the appropriate working hours.

Non-financial Targets of the 5th Medium-Term Management Plan

Annual paid leave utilization rate * Non-consolidated (MIRAIT ONE Corporation only)

Targets : 70 %

FY 2023 Results: 73.5 %

Empowerment of Diverse Employees through Flexible Workstyles

We have created an environment in which all of our diverse human resources can efficiently succeed while achieving work-life balance. This is accomplished through the promotion of flextime, partially flexible shifts, variable working hours and remote work (working from home, on business trips, or at satellite offices).

Awarded Three Stars in the 7th Nikkei “Smart Work Management Survey”

In November 2023, MIRAIT ONE was awarded a three-star rating in the 7th Nikkei Smart Work Management Survey, which selects leading companies that are taking on the challenge of revolutionizing productivity through work style reform.

The survey, conducted by Nikkei Inc. and Nikkei Research Inc. since 2017, targets listed companies and leading non-listed companies nationwide. The survey defines “smart work management” as efforts to maximize organizational performance through three elements: “realization of diverse and flexible workstyles,” “system for new business creation,” and “ability for market development.” Companies are rated out of five stars.

Health-Oriented Management Initiatives

Promoting Health-Oriented Management under the Leadership of Top Management

Our group is focusing on “Promoting health-oriented management,” which is also part of our materiality, as the fourth investment theme of the Human Resources Version: MIRAIT ONE's Value Creation Model. Additionally, with health-oriented management positioned as the foundation of Change 1 “People-centric management,” we are promoting health-oriented management based on the “MIRAIT ONE Group: Health-Oriented Management Declaration” established in July 2022, under the leadership of President and CEO, as outlined in the structure on the next page.

Support of Health Management

The Group performs regular health check-ups for all employees, as well as comprehensive medical examinations recommended for those who have reached a certain age and specified health guidance to support employees’ health management. We also continuously implement health promotion initiatives, such as creating opportunities for refreshment through the use of welfare services and holding walking and other events organized by the Health Insurance Association. Since 2020, we have been advancing initiatives such as using new health management tools for physical condition monitoring and health consultations, increasing the number of public health nurses, and expanding subsidies for comprehensive medical examinations.

Mental Health

The “stress check system,” mandated by the Ministry of Health, Labour and Welfare, aims at primary prevention of mental health issues by helping employees become aware of their own stress and improving their work environment. Even before the introduction of the mandatory mental health check system, the MIRAIT ONE Group has introduced a mental health follow-up system (consultation service, etc.). Based on group analysis

following the stress check, mental health training is conducted for each department to improve the worksite environment and prevent mental health issues before they occur.

Supporting the Return of Employees on Sick Leave due to Mental Health Issues

We provide full support to employees on sick leave or injury leave due to mental health issues, including support by our mental health promotion staff, from the start of the leave to follow-up after the employee returns to work. The employee on leave can take advantage of a "rework program" that utilizes rework facilities. When the employee expresses his/her intention to return to work, a reinstatement decision will be made by the Return to Work Review Committee based on the diagnosis made by the attending physician in cooperation with the industrial physician and the company. Shorter hours, limited overtime, and other employment considerations are accorded to employees returning to work.

Initiating Presenteeism Measurement

As part of our health-oriented management efforts in the Human Resources Version: MIRAIT ONE's Value Creation Model, we began measuring presenteeism in FY 2023 using Wfun, resulting in a B rating. Going forward, we aim for an A rating and will work to reduce presenteeism by holding seminars on issues identified through measurements.

Recognized as One of the "Excellent Health-Oriented Management Corporations 2024"

In March 2024, in recognition of our series of efforts, MIRAIT ONE Corporation, TTK Co., Ltd., SOLCOM Co., Ltd., Shikokutsuken Co., Ltd., and Seibu Construction Co., Ltd. were certified by the Ministry of Economy, Trade and Industry as "Excellent Health-Oriented Management Corporations 2024 (Large Corporation Category)" as companies that practice excellent health management.

Using this certification as a starting point, we will work to further improve the environment for health-oriented management practices and create a virtuous cycle for sustainable growth and increased corporate value, with "health" as one of its core values.

System for Promoting Health-Oriented Management



[MIRAIT ONE Style] Health-Oriented Management Strategy Map

Health investments		Effects of health investments			Health issues linked to solving management challenges	Management challenges to address through health-oriented management
Foundation	Initiatives	Indicators on the status of health investment initiatives	Indicators on changes in employee awareness and behavior	Final goal indicators related to health		
Clarifying the current status and issues through health check-ups and stress checks	Encouragement for health checkup participation	Regular health checkup participation rate	[Improvement of health literacy] Improvement in lifestyle habit metrics, etc. (Weight, alcohol consumption, exercise, smoking cessation, sleep, eyes, stress, etc.)	[Reduction of absenteeism] Reduction of absenteeism and leave days per employee by one day compared to the previous year	Physical and mental health	1. Improve employee performance 2. Enhance retention and recruitment capabilities
		Comprehensive medical examination participation rate				
		Optional examination rate during comprehensive medical examination				
Introduction of health checkup result management system	Encouragement for stress check participation	Stress check participation rate		[Reduction of presenteeism] Achieve an A rating in Wfun comprehensive evaluation		[Employee perspective] Realize the Purpose: "Co-create exciting future by leveraging technologies and taking on challenges" Achieve "People-centric management"
		Implementation status of "health-oriented management" in stratified training, etc.				
Establishment of an occupational health system	Population approach to lifestyle diseases	Number of lifestyle-related training sessions conducted			Creating a healthy work environment	
	Support for improving lifestyle diseases	Number of participants in walking events, etc.		[Improvement of work engagement] Score "2.5" or higher on an 80-question survey		[Corporate perspective] Enhance social and corporate value by enabling employees to perform at their best
Lifestyle disease measures	Initiatives for women's specific health issues	Number of mental health-related training sessions conducted				
	Effective initiatives using engagement survey and Wfun results	Participation rate in seminars on women's specific health issues	Rate of annual paid leave			
Smart work-lifestyle reform promotion Creating excitement for each individual - 20% reform project!	Efforts to improve workplace environment leading to enhanced communication	Number of health-related information pieces provided (bulletin boards, etc.)				

—Materiality—

Respect for human rights and promotion of diversity and inclusion

We believe that its sustainable growth and corporate value enhancement in the future can only be achieved through understanding the human rights of all stakeholders involved in the corporate activities and by fulfilling its group-wide responsibility to respect human rights. Therefore, we are addressing "Respect for Human Rights" as part of our materiality. Additionally, to enhance corporate value by increasing value creation capabilities through diverse ideas and perspectives, we are also focusing on "Promoting Diversity & Inclusion" as part of our materiality.

Respect for Human Rights

Initiatives for the "MIRAIT ONE Group: Basic Policy of Human Rights"

In July 2022, the Group established the "MIRAIT ONE Group: Basic Policy on Human Rights" as its top-level policy on human rights to send out a strong message of its commitment on the respect for human rights and clearly identify its awareness within the Group. This policy also aims to promote actions that respect human rights in all corporate activities in collaboration with various stakeholders. Since then, based on this policy, all employees of the Group have been acting with an awareness of respecting human rights as the foundation of all its business activities. We aim to build a company that is widely trusted by society and contribute to the realization of a sustainable society.

MIRAIT ONE Group: Articles of the Basic Policy on Human Rights

1. Basic approach on human rights
2. Compliance with laws and regulations and respect for human rights codes
3. Scope of application
4. Execution of human rights due diligence
5. Remedial and corrective measures
6. Education and awareness activities
7. Dialogue and consultation with stakeholders
8. Promotion system

Promotion System

To ensure that all officers and employees understand and respect human rights issues involving all corporate activities, the "Human Rights and D&I Committee" has been established under the ESG Management Promotion Committee, chaired by the President and CEO (→see page 62). The committee reports on risk situations related to human rights and diversity, discusses issues and measures to be addressed, and works to strengthen human rights management and promote diversity and inclusion measures.

Examples of Actions Taken

The Group takes the protection of workers' rights seriously by never using child labor or forced labor and paying wages above the minimum wage level mandated by law. Even in extremely adverse business situations, the Group has made every effort to maintain the employment of its employees and has never dismissed any employee by nomination or liquidation.

In addition, we have conducted stratified training and compliance promotion activities to raise awareness of human rights. Three types of hotlines, the "Compliance Meyasubako," "Nandemo Sodanshitsu (consultation window for anything)," and "External Reporting Line," are on standby for problem-solving while giving due consideration to whistleblower protection.

Diversity & Inclusion

Continue to Be an "Attractive Company Group" with Diverse Employees Working Actively.

As part of the third investment theme in the Human Resources Version: MIRAIT ONE's Value Creation Model, "Promoting diverse human resources and creating a diverse and flexible work environment," the MIRAIT ONE Group respects individual personality and seeks to build workplaces where its employees perform to their full potentials, regardless of age, gender, educational background, nationality, disability, sexual orientation, gender identity, etc.

We have established the Diversity & Inclusion Office, a specialized organization to promote diversity and inclusion, in the General Affairs and Human Resources Division to leverage diverse perspectives and values in corporate management. Our focus is on building a workplace environment and developing management-level personnel to maximize the characteristics and potential of each individual employee.

Diversity & Inclusion, one of the Group's material issues, is positioned as a key initiative. Our Mission (public mission), which clearly defines our approach to each stakeholder, declares our commitment to "continue to be an attractive corporate group where diverse employees work with passion and vitality."

In addition, as part of "People-centric management", we are dedicated to developing a pool of diverse human resources including non-Japanese engineers.

To further advance this series of diversity and inclusion initiatives, we established "Diversity & Inclusion Declaration" in December 2022. We are promoting Diversity & Inclusion to create a corporate culture that respects individuals and harnesses their strengths for the organization.

Empowering Female Employees

We devise action plans for the purpose of enabling female employees to reach their full potential and pursue their careers in a wide range of arenas. Specific numerical targets are set for the ratio of women in new graduate hires and in managerial positions and to expand occupational fields for women. PDCA cycles are employed to achieve these targets. In addition, we actively promote work-life balance by developing a working

environment that enables employees to balance childcare and nursing care responsibilities with professional career.

General Employers Action Plan based on The Act on Promotion of Women's Participation and Advancement in the Workplace

(Plan period: July 1, 2022~March 31, 2026) Non-consolidated (MIRAIT ONE Corporation only)

①Ratio of women in new graduate hires	②Number of women in managerial positions	③Rate of annual leave taken
Target: 25%	Increase by 20% from July 2022	Target: 70%

* For details, visit our website (https://www.mirait-one.com/assets/pdf/esg_jp/plan_womens.pdf). (Japanese version only)

Supporting Employees to Balance Childcare and Nursing Care Responsibilities with Professional Career

We have instituted programs that employees can use during important life events such as childbirth, childcare, and nursing care beyond the standards stipulated by law, so that employees can continue working with a sense of security for a long time. They include the parental leave, which is available until the child reaches three years of age, and shorter working hour arrangement that can be used until the child completes the third year of elementary school.

As of the end of FY 2023, the childcare leave acquisition rate among female employees is 100% with the leave acquisition rate for childcare and other reasons among male employees at 87%. We have promoted efforts to maintain the childcare leave acquisition rate and raise it even further. Also, we implement support measures to ensure employees on childcare leave can return to work smoothly and play an active role in the company. The measures include providing information on developments in the company during their absence and conducting interviews prior to their return.

General Employers Action Plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children

(Plan period: July 1, 2022~March 31, 2025) Non-consolidated (MIRAIT ONE Corporation only)

①Establish an environment that facilitates the use of childcare leave for both men and women
②Create a worker-friendly environment

* For details, visit our website (https://www.mirait-one.com/english/esg/diversity-inclusion/).

Support for Elderly Employees

In response to the declining birthrate and aging population in Japan, we have created an environment where willing senior workers can continue to play active roles. This was done by establishing a reemployment system after retirement to support the active participation of senior human resources who hold qualifications in advanced technologies required for the telecommunications construction industry and MIRAI (future) domains.

We also hold life plan seminars for employees who have reached a certain age and support them with work designing and financial planning after employment extension.

Status of Reemployment After Retirement (FY 2023)

Number of employees subject to mandatory retirement	166 people
Number of rehired employees	132 people
Reemployment rate	80%

* Average of 7 companies: MIRAIT ONE Corporation, TTK Co., Ltd., SOLCOM Co., Ltd., Shikokutsuken Co., Ltd., Seibu Construction Co., Ltd., MIRAIT ONE SYSTEMS Corporation, and Kokusai Kogyo Co., Ltd.

Promoting the Active Role of Local Personnel in Foreign Countries

The MIRAIT ONE Group currently runs overseas bases in 15 countries and regions (as of March 31, 2024), mainly in Asia-Pacific region where locally hired personnel plays important roles. To make it easier for each employee to work and make the most of his or her individuality, we implement various measures, such as improving technical capabilities through mutual support, including the dispatch of personnel between overseas bases, and exchange meetings at bases.

MIRAIT Philippines Inc. also contributes to the local community to enhances its credibility, such as continuing tree-planting activities in Cebu City, where local employees participate in planting approximately 500 trees.



Tree Planting in Cebu City (MIRAIT Philippines Inc.)

Support System for Balancing Career with Childcare and Nursing Care (MIRAIT ONE Corporation)

Related items	Program for balancing family and career	Legal requirements
Maternity leave	Paid for 6 weeks before and after childbirth, unpaid for the portion exceeding 6 weeks after childbirth	Unpaid
Leave for childbirth of spouse	2 days (paid)	—
Leave by accumulating expired annual leave	Nursing care for family members, maternity checkups, infertility treatment, childcare associated with the childbirth by a spouse	—
Childcare leave	Under 3 years old (until turning 3 years old)	Under 1 year old (within 1 year up to 14 months old with Dad and Mom Parental Leave Plus)
Shorter working hours for childcare	Up to 3rd grade	Under 3 years old
Child nursing leave	Up to 4th grade (Paid leave can be taken by the hour.)	Until the child enters elementary school (unpaid)
Restrictions on overtime and late-night work	Up to 3rd grade	Until the child enters elementary school
Nursing care leave (short-term)	Paid leave taken by the hour	Unpaid
Nursing care leave (long-term)	Up to 1 year per person	Up to 93 days per person (may be divided)

—Materiality—

Realization of a decarbonized society through business activities

While fully capturing "Expansion of various business opportunities associated with decarbonization," as one of the key initiatives in the "5th Medium-Term Management Plan" and "MIRAIT ONE Group Vision 2030," our group is focusing on "Expansion of Green Energy Business" and "Promotion of Corporate GX" under the materiality theme "Realization of a decarbonized society through business activities." We have achieved record-high sales for eight consecutive periods by building significant achievements in both areas.

Environmental Protection through Business Activities

Focusing on Green Energy Businesses as a Growth Driver

We aim to realize a decarbonized society by constructing, operating, and maintaining more efficient social infrastructures and advanced energy-related systems as part of our business activities, and by promoting the supply of renewable energy. We contribute directly to creating energy infrastructure needed for a decarbonized society through Environmental and Social Innovation Business in the Corporate/Environmental and social Infrastructure domain. Specifically, this is performed through the design, construction, operation and maintenance of power generation systems that rely on solar power and other renewable energy sources, installation and maintenance of LED lighting and EV charging systems, supply of energy management and hydrogen fuel cell systems, and obtaining planner certification for ZEB (Net Zero Energy Building). We also take an active part in initiatives toward realizing high-efficiency smart energy systems and smart cities, in addition to developing broadband wireless sensor network systems.

Financial Targets of the 5th Medium-Term Management Plann

Expansion of Green Energy Business
Net sales target for 2026

30 billion yen or more

(More than 3.3 times compared to FY 2022)

Since FY 2023, which was the second year of the 5th Medium-Term Management Plan, we have set forth "Expansion of Green Energy Business" as one of the important growth drivers. We will make corporate-wide effort on local government PPA, industrial power storage facilities, interconnection business, and hydrogen-related business, in addition to existing businesses related to solar power generation, EV battery chargers, and secondary cells, aiming for net sales of 30 billion yen from the green energy business in FY 2026.

Environmental Value Topics

Hydrogen Fuel Cell Power Plant Begins Operation in Minamisoma, Fukushima

—Contributing to Carbon Neutrality for Offices and Stores with On-Site Power Generation Using Fixed FC Generators—

Under the materiality theme "Realization of a decarbonized society through business activities," our company is actively seizing various business opportunities related to decarbonization to achieve carbon neutrality. Since July 2022, we have participated in the "Hydrogen-Powered Future City" project by Fukushima Prefecture and Toyota Motor Corporation, constructing a hydrogen fuel cell power plant equipped with fixed FC generators*. In September 2023, the facility was completed, initiating operations as a demonstration facility aimed at "reducing CO_2 emissions from offices and stores" and "BCP measures (utilizing power during disasters)" through the use of fixed FC generators, solar power generation, and secondary cells.

This demonstration leverages hydrogen's capacity for large-scale storage and long-term preservation for BCP measures, heightening the performance of secondary cells by storing maximum amounts of surplus solar-generated electricity. Additionally, it promotes regular hydrogen use to quickly address peak electricity demand caused by seasonal heating and cooling needs. Furthermore, by partially utilizing hydrogen produced at the Fukushima Hydrogen Energy Research Field (FH2R) of the New Energy and Industrial Technology Development Organization (NEDO), we aim to reduce CO_2 emissions and promote local production and consumption of energy through solar power generation and clean hydrogen. Our company will use the insights gained from this demonstration to contribute to achieving carbon neutrality in offices and stores within Fukushima Prefecture using hydrogen. We will also accumulate expertise in the installation and use of fixed FC generators, proposing a societal implementation model combining solar power, secondary cells, hydrogen, and EV charging to expand the introduction of renewable energy, and contribute to realizing a decarbonized society.



Installed FC generator

*FC generators: Fuel cell generators

Introducing Advanced Green Solutions to Golf Courses

—Building a Next-Generation Solar Carport with 53.4% Energy Self-Sufficiency with Partner Companies—

Our company is working with stakeholders to address the significant social challenge of decarbonization and carbon neutrality, participating in numerous decarbonization projects with partner companies. Together with ShirokumaPower Co., Ltd. and Sojitz Corporation, we have been working on the construction of a solar carport equipped with secondary cells and EV charging stations at the parking lot of Isogo Country Club (Yokohama Kanko Tochi K.K.), which was completed and put into operation in March 2024.

The commercial introduction of a solar carport combined with secondary cells and EV charging stations is an advanced initiative, providing significant social value by contributing to the spread of green power and EV infrastructure.

Yokohama Kanko Tochi K.K. adopted this project as a groundbreaking effort in operating environmentally-friendly resort facilities with reduced running costs. ShirokumaPower Co., Ltd., Sojitz Corporation, and our company have multiple ongoing projects, and by leveraging each company's strengths to provide new green solutions, we continue to contribute to the realization of a further decarbonized society.





Parking lot with next-generation solar carport installed (left) and distant view of the carport (right)

*This project was implemented with the support of the "FY 2022 Subsidy for Projects to Reduce Carbon Dioxide Emissions" and the "Subsidy for Promoting the Introduction of Charging and Refueling Infrastructure for the Promotion of Clean Energy Vehicles."

—Materiality—

Contribution to environmentally-friendly and resilient urban and regional development

In the "5th Medium-Term Management Plan," under the materiality theme "Contribution to environmentally-friendly urban and regional development," we aim to achieve sales of 30 billion yen in the "urban and regional development" business by FY 2026. Additionally, for decarbonization efforts at our offices and business locations, we target a 42% reduction in Scope 1+2 emissions and a 25% reduction in Scope 3 emissions compared to FY 2020 by FY 2030. We are committed to enhancing corporate value through both offensive and defensive initiatives.

Effort toward Decarbonization

Approach

To achieve carbon neutrality by 2050, we are steadily advancing our efforts toward the "2030 greenhouse gas emission reduction targets," which was certified by the Science Based Targets initiative (SBTi) in February 2023. Please refer to the following for information disclosure based on the TCFD (Task Force on Climate-related Financial Disclosures) recommendations, including the status of these initiatives.
https://www.mirait-one.com/english/esg/environment/

Non-financial Targets of the 5th Medium-Term Management Plan

Percentage reduction of greenhouse gas emissions

Scope 1+2

42 % down compared to FY 2020

Scope 3

25 % down compared to FY 2020

Actual results

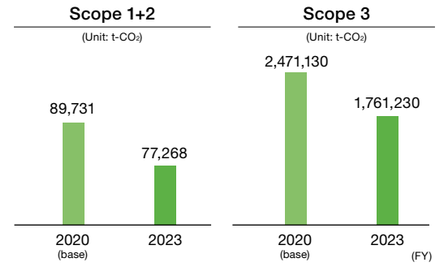
Greenhouse gas emissions compared to FY 2020 (base year) are as follows.

Greenhouse Gas Emissions

—MIRAIT ONE Group as a whole—

Category	Emissions	
	FY 2020 (base)	FY 2023
Scope 1 (Direct emissions) + Scope 2 (Indirect emissions)	89,731	77,268
Scope 3 (Other indirect emissions)	2,471,130	1,761,230

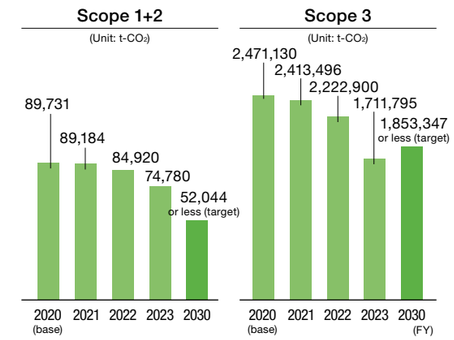
* Figures for FY 2020 (base) include those for Seibu Construction Co., Ltd.
* Scope 3 emissions include Category 1, 2, 3, 4, 5, 6, 7, 11, 12, and 13.
* The Group's total greenhouse gas emissions for FY 2023 include the FY 2023 results of Kokusai Kogyo Co., Ltd.
* Unit of emissions: Scope 1, 2: t-CO_2, Scope 3: t-CO_2e



—MIRAIT ONE Group excluding Kokusai Kogyo Co., Ltd.—

Category		Emissions			
		FY 2020 (base)	FY 2021	FY 2022	FY 2023
Scope 1 (Direct emissions)		66,890	67,907	65,166	61,811
Scope 2 (Indirect emissions)		22,841	21,277	19,754	12,969
Scope 3 (Other indirect emissions)		2,471,130	2,413,496	2,222,900	1,711,795
Category 1	Purchased goods and services	513,292	452,295	337,073	362,896
Category11	Use of products sold	1,892,870	1,848,997	1,814,356	1,273,909
Total of others (Category 2, 3, 5, 6, 7, 12 and 13)		64,968	112,204	71,471	74,990
Sum of Scope 1-3		2,560,861	2,502,680	2,307,820	1,786,575

* Figures for FY 2020 (base) include those for Seibu Construction Co., Ltd.
* Unit of emissions: Scope 1, 2: t-CO_2, Scope 3: t-CO_2e



*1 Reference: Breakdown of others

Category		Emissions	
		FY 2022	FY 2023
Category2	Capital goods	32,442	34,217
Category3	Fuel- and energy-related activities not included in scope 1 or 2	13,165	12,763
Category5	Waste generated in operations	3,362	3,268
Category6	Business travel	1,866	2,208
Category7	Employee commuting	3,392	4,015
Category12	End of life treatment of sold products	3,163	4,105
Category13	Leased assets (downstream)	14,081	14,413

* Category 4, 8, 9, 10, 14, and 15 do not apply to the Group.
* Unit of emissions: t-CO_2e

—Kokusai Kogyo Co., Ltd.—

Kokusai Kogyo Co., Ltd. set its reduction targets and obtained SBT certification in September 2021, prior to joining the Group in December 2023.

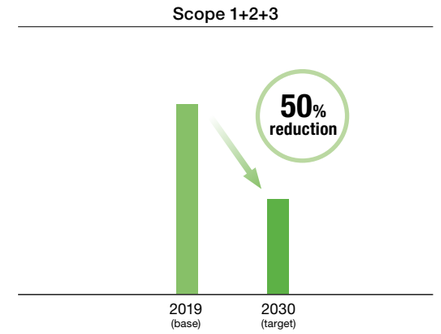
	Target	SBT
Scope 1+2+3	Reduce by 50% compared to FY 2019 (base year) by FY 2030.	Certified in September 2021

*Scope 3 of the SBT reduction target includes Category 6, 7, and 11.

FY 2023 results

Category	FY 2019 (base)	FY 2023
Scope 1 (Direct emissions)	1,523 (t-CO_2)	1,202 (t-CO_2)
Scope 2 (Indirect emissions)	3,961 (t-CO_2)	1,285 (t-CO_2)
Scope 3 (Other indirect emissions)	67,484 (t-CO_2e)	49,435 (t-CO_2e)

*Scope 3 emissions include Category 1, 2, 3, 4, 5, 6, 7, 11, 12, and 13.
*The emissions for FY 2023 include the annual greenhouse gas emissions of Kokusai Kogyo Co., Ltd. prior to its integration into the Group (before December 2023).
*For Kokusai Kogyo's information disclosure based on the TCFD recommendations, please refer to the following.
* Unit of emissions: Scope 1, 2: t-CO_2, Scope 3: t-CO_2e



Initiatives in Company Offices, Business Locations, etc.

Energy Conservation and Energy Creation in Construction Centers

At local construction centers, we have installed LED lighting, demand monitoring systems for power consumption, and rooftop solar power generators to promote energy conservation.

Total Annual Power Generation by Solar Power Generators at MIRAIT ONE Corporation Offices (10 thousand kWh)

FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
13.2	13.7	28.5*	32.4	31.1

* The scope of aggregation was changed in FY 2021.

Promotion of Energy Conservation and Transition Toward Renewable Energy

To reduce electricity consumption, which accounts for a large portion of energy consumption in offices, the entire Group is working together to promote multifaceted power-saving measures. They include: reducing the number of printers and copy machines, and using them more efficiently; setting PCs to a power-saving mode; optimum indoor temperature control; switching off unnecessary lighting; and raising awareness on using elevators less frequently.

The Group is working to transition to the use of renewable energy in each business location. In FY 2023, the transition to renewable energy for our own buildings progressed to 63%.

Vehicles with Better Fuel Efficiency/Reduction of Greenhouse Gas Emissions

In addition to accelerating the conversion to low-emission, fuel-efficient vehicles such as EVs and hybrids, we also promote "eco-driving," which has a lower environmental impact and helps lower the number of traffic accidents, while utilizing cloud-type drive recorders. In addition, we are working to reduce greenhouse gas emissions through better fuel efficiency and company-wide educational campaigns on the use of fuel additives that cut greenhouse gas emissions. In FY 2023, we transitioned 24% of the general-purpose vehicles used for business operations to EVs and hybrid cars.



Promoting the use of EVs

Contributing to Circular Society

Approach

The MIRAIT ONE Group will reduce geoenvironmental impact by properly disposing of industrial waste generated from our business operations on our own responsibilities and by promoting environmental conservation activities in consideration of sustainable use of resources.

Non-financial Targets of the 5th Medium-Term Management Plan

Industrial waste final disposal ratio (FY 2030)

Below 1.5 %

FY 2023 results

2.28 %

Establishing Policy on Disposal of Industrial Waste

In order to translate resource recycling and waste reduction efforts into sustainable growth and enhanced corporate value, the Group has established targets on the Industrial waste final disposal ratio for FY 2030 in the 5th Medium-Term Management Plan that began in FY 2022. In July 2022, the "MIRAIT ONE Group Policy on disposal of industrial waste" was established to develop this initiative into effective policies.

Recycling Construction By-products

We continuously work to minimize construction by-products generated at each construction site and to find ways to recycle by-products that are generated. As part of that effort, we launched an initiative in 2008 in the telecommunications construction industry to transition from conventional, disposable wooden drums for winding steel stranded wire to reusable ECO drums. Today, ECO drums are used for most drum sizes.



ECO drums

Promoting Recycling of Used Construction Products

We collect used uniforms and helmets to promote recycling through material processing (to be reused as new raw materials).

Reducing Paper Use

MIRAIT ONE Corporation promotes specific measures and initiatives to reduce paper use by using less paper at meetings, eliminating the need to stamp paper documents and reforming business processes.

Green Procurement

The Group promotes green procurement of paper and stationery with a target green procurement rate of 80% to be achieved by the end of fiscal 2025. The result in FY 2023 was 85.4%.

Environmental Management

Conformance to ISO14001

Each of our Group companies complies with and practices environmental management system (ISO 14001) and all business locations of MIRAIT ONE Corporation are certified. Each business location evaluates the environmental impact of its operations, formulates measures to address significant environmental impacts, and implements a PDCA cycle for continuous improvement. Over the nine years from 2015 to 2023, our Group companies in Japan have reported zero cases of the violation of environmental laws and regulations, accidents/pollution that leads to environmental problems, or complaints about environmental problems.

Furthermore, in PDCA of these environmental protection activities, the actual values of our main performance indicators (CO_2 emission (electricity consumption and consumption of fuels such as gasoline and kerosene), industrial waste final disposal ratio, and green purchasing payments) are utilized for monitoring and analysis. In summer and winter, when electricity consumption increases, each workplace implements its own targets to reduce power consumption based on the actual values of performance indicators.

Green Development Guidelines

In FY 2017, the Group established the "Green Product Development Guidelines," which outline the items to be considered in the development stages to protect the global environment. In the development of construction methods, products and services, we comply with relevant laws and regulations and take into account the environmental impact throughout the life cycle.

Environmental Standards for Evaluating and Selecting Business Partners

As part of our integrated management system, we evaluate and select our business partners in order to ensure their compliance with our product requirements by determining whether they are capable of supplying products and services that satisfy our requirements. Specifically, suppliers whose transaction value exceeds the predetermined amount are evaluated based on the Supplier Evaluation Criteria Table, which is shared across the Company. The evaluation items include items related to quality, deadline, and management, as well as items dedicated to the environmental area (E) of ESG, such as ISO 14001 certification and efforts to reduce environmental impact.

Items Subject to Supplier Score Evaluation

Control items	Evaluation items
Deadline	Adherence to deadline and delivery
Environmental protection	Reduction of environmental load
Quality	Existence of defects
Improvement activities	Initiatives for improvement activities
Data asset management	Establishment of data asset management system
Management	Management stability

Contribution to the Reduction of Water Risks and Effective Use of Water Resources

Approach

The Group considers water risks to be as significant as climate change risks, and is working to provide various solutions primarily in the construction and maintenance of water infrastructures. The Group considers these efforts as examples of business-based contribution to the reduction of water risks and effective use of water resources.

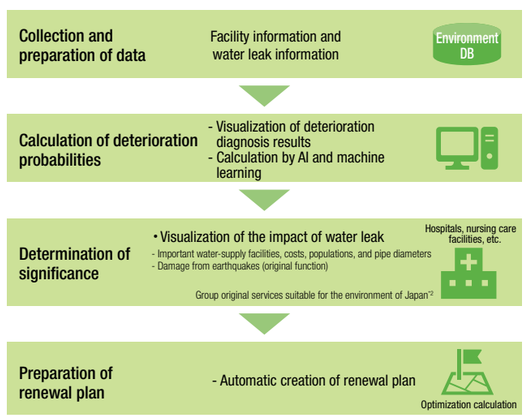
Providing DX Promotion Solution for Water and Sewerage Construction

There is a global rise in the importance of measures against water risks and the effective use of water resources, and also there are serious domestic problems of the aging of social infrastructures and the decrease of working population. Under these circumstances, the Group conducts water engineering business of several billion yen every year to support stable and continuous operation of water infrastructures and the effective use of water resources. The MIRAIT ONE Group provides "full value" solutions from planning and design to maintenance and operation, focusing primarily on solutions that contribute to the long-term operation, quality maintenance, and management efficiency targeted by Water PPP*1. Through the following five solutions, we offer environmental value related to water resources.

*1 A public-private partnership model in the water sector, including water supply, industrial water supply, and sewerage, which is a general term combining the concession (public facility operation business) model and the "maintenance and renewal integrated management model."

(1) Solution for deterioration prediction, impact evaluation, and planning of water pipe renewal

The solution estimates breakage risks and deterioration conditions by algorithms of AI and machine learning that use customers' data of water pipe path facilities and water leak records.



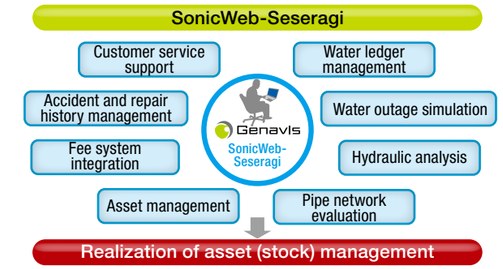
*2 A system provided by FRACTA is used.

The solution provides a map display of business risks that would be caused by water leak, and automatically creates action plans in consideration of costs.

(2) Water supply facility data management system (SonicWeb-Seseragi)

This is a feature-rich package software developed to achieve asset management. It supports the operations of water utilities, streamlining and advancing their processes.

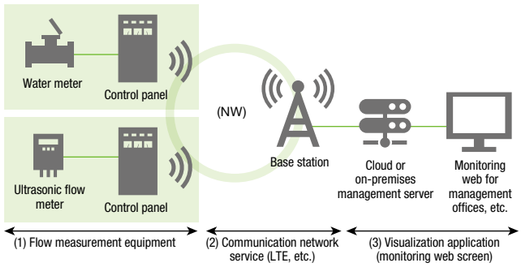
■SonicWeb-Seseragi



(3) Water-supply smart meter solution

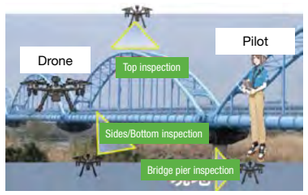
It enables the streamlining of flow management operations and quicker trouble response through remote monitoring and remote meter reading for industrial water. Additionally, it achieves paperless operations and centralized flow and reporting management through the use of applications.

■Configuration Overview



(4) Solution for water pipe bridge inspection using drones

This solution contributes to the prevention of water leak and pipe breakage caused by the aging of water-supply facilities using drones and ICT technology.



AI is used to analyze data and infrared camera images captured by drones to detect rust and concrete cracks.

(5) Water civil engineering

We will utilize data obtained by the above solutions to propose efficient construction and renewal of water facilities, including water pipe construction and the building of water and sewerage.

Initiative for Biodiversity

Approach

Based on its materiality theme, “Contribution to environmentally-friendly urban and regional development,” the Group makes effort not only in business but also in social contribution activities such as volunteerism toward the realization of sustainable society that is mindful of biodiversity including the preservation of the ecosystem.

Analysis of Business Activities for Biodiversity Conservation

Conserving biodiversity is considered an essential and critical theme for promoting “Contribution to environmentally-friendly and resilient urban and regional development.” From the perspective of our Group’s diverse business portfolio and business strategies, we have projected future activities and begun analyzing the impact of each business activity on the natural environment (“location of activities,” “dependence on the natural environment,” and “risks and opportunities”) to forecast future activities.

Based on this analysis, we plan to establish an action policy aimed at being nature positive and formulate response scenarios for priority business areas.

Advocating “Rice Farming” That Aims for the Preservation of the Ecosystem and Transition to Environment-Friendly Agriculture

The MIRAIT ONE Group supports the “rice farming” initiative led by our partner company, MURAYAMA CONSTRUCTION CO, LTD., which aims to preserve ecosystems, transition to environmentally-friendly agriculture, address the increase in abandoned farmland such as terraced rice fields, and preserve the original landscape of satoyama. We continue to assist with some of the agricultural work through volunteer efforts by our group employees.

Moving forward, we plan to introduce the “Appare” farming support service provided by our group company, Kokusai Kogyo Co., Ltd., to further reduce farming workload.

The rice harvested from the “MIRAIT ONE Rice Production Area” in Tokamachi City, Niigata Prefecture, will be sold in limited quantities as “MIRAIT ONE rice” to stakeholders and offered as a shareholder benefit.

Our group will continue to engage in activities like these to contribute to biodiversity conservation.





–Materiality–Safety and quality improvement

Through our efforts in the materiality theme “Safety and quality improvement,” our group aims for “Building and Maintaining a Safe, Secure, and Prosperous Society.” We strive to secure human resources and enhance brand strength by pursuing safety and quality. As part of the 5th Medium-Term Management Plan, we also work on achieving a non-financial target of “zero accidents resulting in injury or death / zero serious facility accidents,” emphasizing “Safety and quality improvement” as part of our growth and business strategies.

Safety Management

Approach

The MIRAIT ONE Group, which builds the infrastructure of society as its business domain, creates value based on the basic premise of guaranteeing and improving safety, and implements business processes that prioritize safety.

Non-financial Targets of the 5th Medium-Term Management Plan

Aiming for 0 accidents resulting in injury or death/ 0 serious facility accidents
FY 2023 results

2 accidents resulting in injury or death/ 0 serious facility accidents

Establishment of “MIRAIT ONE Group: Charter on Safety and Compliance”

In July 2022, the “MIRAIT ONE Group: Charter on Safety and Compliance” was established to reaffirm the Group’s priority on commitment to safety as the cornerstone of corporate management. With all employees working in the Group dedicated to ensuring safety and compliance based on this Charter, we aim to create a corporate group that continuously earns the trust of all stakeholders and strive to contribute to realizing a sustainable society.

For Further Improvement of Safety Awareness

For the elimination of accidents and further improvement of safety awareness, the Group reminds its employees of the importance of everyday reflection on basic manners of operation, prepares safe operation procedure manuals, provides safety training, creates videos of accident cases, and is proceeding with the visualization of safety rules. In addition, the Group works to activate communication with workers, reconfirm safety awareness, and disseminate safety measures, through frequent visits of management executives including the President to workplaces and annual Safety Convention that involves group companies and partner companies.

In the event of a major accident, we promptly hold an Emergency Accident Response Meeting, including key Group companies, to thoroughly examine the background and circumstances of the incident and identify its root cause. Additionally, we establish and implement Group-wide measures to prevent recurrence, working together across the Group to eliminate accidents.

Danger Simulation Training

We hold “danger simulation training” using VR with the aim of eradicating falling and slipping accidents, which account for approximately 40% of all fatal accidents in the construction industry. The purpose of this program is to increase recognition of the importance of basic movements and fall prevention equipment, and to enhance safety awareness through first-hand simulation of fall accidents.

Ensuring Safety During Emergencies

To be prepared for large-scale natural disasters, acknowledging the rising importance of our support for the restoration of information and communication infrastructure in the event of a disaster, the Group holds periodic disaster response drills twice a year to learn the principles of actions to be taken in the event of a disaster, safety confirmation methods, methods of gathering disaster-related information. Additionally, since 2023, we have been actively promoting the “MIRAIT ONE’s smart work-lifestyle reform,” while ensuring the effectiveness of safety confirmation systems for flexible working styles such as telecommuting and remote work.

Promoting the Acquisition of Authorization of Workers for High Elevation Work Safety

We encourage our engineers to obtain the “Authorization of workers for high elevation work safety (Access system)” or “Authorization of workers for high elevation work safety (Network system)” so that they can work safely and reliably in high places.

■Number of New Candidates for Authorization of Workers for High Elevation Work Safety (People)

	FY 2021	FY 2022	FY 2023
Access system	104	109	52
Network system	32	64	56


VR-based danger simulation training


Training to experience high elevation work

Introduction of Cloud-type Drive Recorders

From 2019, the Group uses cloud-type drive recorders for business vehicles in order to eliminate traffic accidents during trips to work sites or other occasions. As of the end of FY 2023, drive recorders have been installed in about 87% of the Group vehicles (approximately 1,900 vehicles), resulting in 8%

reduction of traffic accidents (at-fault) in FY 2023 compared with the previous fiscal year.

Expansion of Network Camera Installation for Site Monitoring

Our group, leveraging the regional network built over many years, excels in regional revitalization business. For projects in remote or mountainous areas where on-site visits for monitoring involves excessive effort or risk, we have developed a system to provide safe and high-quality services with limited personnel through efficiency improvements using ICT technology. As an example, in FY 2023, we expanded the installation of network cameras for site monitoring. We will continue to expand this installation in FY 2024, focusing on ensuring the safety of on-site personnel and further improving work-life balance.



Remote monitoring using network cameras

ISO 45001-Conformant Occupational Health and Safety Management System

We operate occupational health and safety management systems in compliance with ISO 45001. As of March 31, 2024, all business locations of MIRAIT ONE Corporation are certified. We comply with laws and regulations as well as occupational safety and health requirements, reduce and eliminate occupational safety risks through risk assessment and activities to anticipate danger, and promote safety and security through educational exchanges in accordance with the Policy on Occupational Safety and Health, which explicitly names safety as the highest priority in operations. We continuously improve our performance by identifying all actions that can lead to accidents resulting in injury or death, serious traffic accidents, and other seriously unsafe incidents as supervision check-points.

Quality Management

The Group considers quality as important a business challenge and source of competence as safety. The “MIRAIT ONE Group: Charter on Safety and Compliance” reaffirms “quality assurance” as a material issue and emphasizes the commitment to “constantly incorporating new technologies and providing high-quality, superior deliverables to meet customer expectations.”

Improving and Maintaining Technical and On-site Capabilities

The Group implements training and a technical certification system to steadily improve and maintain its technical strengths that support service quality.

In recent years, worksite supervisors* who play the important business role as the representatives of work sites are required to have a wide range of skills to deal with the increasing number of construction projects and the diversification and growing complexity of construction projects. As a concrete measure for such a situation, the Group carries out “Worksite Supervisor Training” for newly appointed worksite supervisors and deputy worksite supervisors.

* One of the supervisory positions appointed by the Group to oversee individual works.

The Engineer Training Subcommittee, aimed at developing specialized technicians, offers various training programs for employees of the Group and partner companies. Especially, 1,753 employees have received the mobile skill training to build their skills since the start of training in 2010.

Additionally, we participate every year in the “National Skills Competition” organized by the Japan Vocational Ability Development Association. At the 61st competition held in November 2023, our employees received a Medallion for Excellence in “Information Network Cabling.” We will continue to improve our technical capabilities through participation in competitions and other means to offer and maintain safe, reliable and high-quality services.



Our medal-winning employees

ISO 9001-Conformant Quality Management System

We have established and are operating a quality management system in accordance with ISO 9001, and our Quality Policy stipulates “swift response to legal regulations and customer demands,” “raising customer satisfaction by enhancing the quality of products and services as well as construction (while realizing efficient production and services),” and “maintaining and improving QCD through quality risk reduction.” Specific processes, procedures, and decision criteria aimed at achieving the policy are defined in internal rules and regulations. Additionally, mobile terminals are used in checking and verifying the quality of the respective tasks. Also, the achievement status of targets set by each group company based on the nature of their business (number of facility accidents, number of problems reported after inspection, customer satisfaction evaluation score, etc.) is reviewed for reflection in the subsequent fiscal year and beyond.

—Materiality—

Co-creation of social value through collaboration with partners

Our company regards social and relationship capital as one of the most important management resources, equal to human capital. We consider the formation and expansion of ecosystems with partner companies and clients as one of the driving forces for growth. Additionally, through M&A and subsequent PMI, such as the incorporation of Seibu Construction Co., Ltd. in 2022 and Kokusai Kogyo Co., Ltd. in 2023 into our group, we are steadily expanding our social and relationship capital and partnerships to create greater social value.

Co-creation with Partners

MIRAIT ONE Partners

In July 2022, the MIRAIT ONE Group launched MIRAIT ONE Partners with core partners. Since then, the MIRAIT ONE Group has been striving to expand its organization while enhancing co-creation with partners. In addition to tackling the challenges of “Mirai Domain” business in growth areas with our partners, we support their growth and transformation by providing strategic learning opportunities at the human resources development institution, “Mirai College.” Also, we will work with our partners to promote safety management, health-oriented management, work style reform at work sites, and on-site value chain reform through DX for the co-creation of social value and enhancement of corporate value.



MIRAIT ONE Partners Portal Site

Fair Transactions and Partnership

The “MIRAIT ONE Group: Charter on Safety and Compliance” emphasizes, in “6. Fair Transactions and Partnership,” our commitment to comply with various laws and regulations on business transactions, conduct transactions in a fair and transparent manner, and maintain cooperative relationships with partner companies so that we can work together toward solving social issues.

* For details, visit our website (https://www.mirait-one.com/english/info/000213.html).

■“Promotion of Declaration of Partnership Building”

The Group has been building and maintaining telecommunication infrastructure, which plays a part in ensuring safe and secure society. Under the recognition that the most important thing for us to build and maintain future social infrastructure is the co-creation with partners, the Group promotes the “Declaration of Partnership Building” based on fair trade and partnership, aiming for continued contribution to the solution of social problems in an even wider scope of social infrastructure.



New Value Creation through Open Innovation and Partnerships

As its growth driver, the MIRAIT ONE Group focuses on the implementation of advanced technologies into social infrastructure in “Corporate DX/GX” fields within our focus area of “MIRAI (future) domains.” The Group is emphasizing open innovation and expanding partnerships with domestic and international startup companies to accelerate value creation in leading-edge fields and the resolution of social issues.

In July 2023, at the urban aquarium “AOAO SAPPORO” (Sapporo City,HOKKAIDO), constructed by a joint venture with MMD inc., we began operating the fourth-generation HD-PLC™—a high-speed power line communication system—as a communication method necessary for collecting information for the Life Support System (LSS). This system continuously creates a comfortable environment for aquatic life by monitoring and controlling water filtration equipment, artificial seawater production devices, and the water temperature and flow of various tanks. This operation was initiated with the cooperation of Socionext Inc., which developed and supplied the communication LSI that enables the fourth-generation HD-PLC™ necessary for the LSS information collection system. Socionext also conducted demonstration tests with the joint venture, contributing to the world's first* social implementation of high-speed power line communication under the latest standard. The fourth-generation HD-PLC™ complies with the international standard for high-speed power line communication technology (IEEE1901-2020) and enables communication using general facility power lines without a dedicated communication network. This technology is gaining attention as a communication standard for a smart, connected society that supports seamless data exchange with both new and existing equipment. It allows for continuous communication without laying new networks, blueprint-free design through wire reduction, shorter construction periods, and reduced initial costs while maintaining a stable communication environment and speed. Our company and MMD inc. will continue to adopt this communication technology to reduce initial costs and life cycle costs (LCC) when collecting and controlling information on

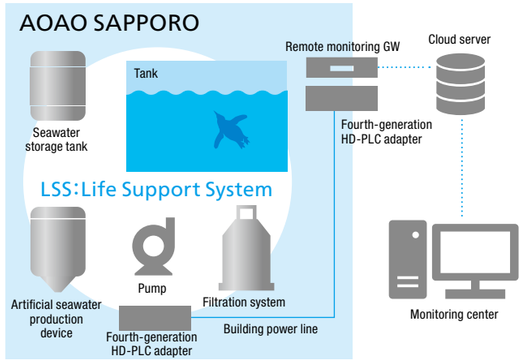
equipment and energy, contributing to the realization of a decarbonized society.

*The first case of social implementation of the latest HD-PLCTM standard in power line communication (according to Socionext Inc.). HD-PLC is a trademark or registered trademark of Panasonic Holdings Corporation in Japan and other countries.



AOAO SAPPORO exhibition view (perspective rendering)

System Diagram



In December 2023, we formed a business alliance with AIM Technologies Co., Ltd., a developer and seller of service robots for various facilities, in the elevator robot business, and began providing delivery, serving, and cleaning robots that work in conjunction with general-purpose elevators. In Japan, cleaning robots, delivery robots, and serving robots are already being introduced in commercial facilities, dining establishments, and office buildings, gradually gaining traction as a means to supplement the shrinking labor force. However, since many elevators in Japan are older models that cannot communicate with robots, and establishing robot connectivity has been challenging due to high costs and time requirements, we utilized the “elevator adapter with communication function” developed by AIM Technologies Co., Ltd. This enabled us to create a new service where robots can connect with general-purpose elevators, whether new or old, at low cost and in a short time period, allowing robots to automatically enter and exit elevators and operate extensively throughout buildings. Additionally, by providing delivery and serving robots together, we strongly support the resolution of labor shortages through robot utilization within buildings, offering a one-stop solution from installation to maintenance, not just product delivery.



Cleaning robot linked to elevators



Large serving robot



Delivery robot

These robot-related businesses have been gradually building up achievements. At the Mitsui Garden Hotel Ginza Tsukiji(Chuo Ward, Tokyo), which had its grand opening in September 2024, we installed two delivery robots that work in conjunction with elevators and PBX*. In the hotel industry, the workload of room delivery services by employees, particularly during nighttime hours, has been a significant challenge. This hotel aims to reduce employee workload and improve guest convenience by using these delivery robots to handle the delivery of guest-room amenities.

*PBX (Private Branch exchange): An internal telephone switchboard installed in companies and offices to connect multiple external phone lines and internal telephones.



Exterior view of Mitsui Garden Hotel Ginza Tsukiji



Delivery robot

Messages from Outside Directors

Leveraging the “On-the-Ground Perspective” Cultivated as a Lawyer to Monitor Efforts for Sustainable Corporate Value Enhancement



Outside Director, Member of Nomination and Compensation Committee
YAMAMOTO Mayumi

I was appointed as an outside director of MIRAIT Holdings in June 2020, and since then, I have been directly involved in the company's dynamic changes in both “business” and “governance,” including the integration into MIRAIT ONE, the transition to a company with an Audit and Supervisory Committee, and large-scale M&A activities. For the FY 2024, as the Board of Directors becomes more streamlined, I expect it to evolve into a body capable of more substantive and in-depth discussions.

While I lack expertise in management, I have made it a point to express my opinions “without reading the room,” utilizing the “on-the-ground perspective” I have cultivated through my experience as a practicing lawyer. Other outside directors also actively share their opinions based on their respective expertise. The company sincerely considers all these opinions, engages in discussions, and uses them as material for management improvement. I believe this attitude and mindset are the essence of corporate governance that pursues management transparency and sustainable enhancement of corporate value. Moving forward, I hope the company continues its efforts to permeate this mindset throughout the entire Group and the ecosystem, including partner companies. The ideal scenario is not to strengthen initiatives simply because they are advocated in the Corporate Governance Code, but rather to have each individual in the field understand that corporate governance benefits both the company and themselves and naturally implement its principles without resistance.

With “people-centric management” at the forefront of its growth strategy, our company is steadily advancing various talent strategies, such as “Mirai College.” Additionally, various systems have been established to support the balance between career and childcare/nursing care responsibilities and many energetic and talented female employees are actively contributing to the company. However, the “number of women in managerial positions” has been stagnating. To address this issue, I believe the most effective approach is to continue steady PDCA cycles, including the recently initiated engagement survey, with an aim to ensure that all employees, not just women, sincerely feel that “I won't be disadvantaged regardless of the life plan I choose, which is why I want to continue working here”.

In FY 2023, as a result of bold challenges in the “MIRAI (future) domains,” we struggled with large unprofitable projects. However, I commend the company for completing these projects even under difficult circumstances and thoroughly investigating the causes of the losses. While we expect the newly established “Business Risk Management Office” to exercise a kind of check-and-balance function, we will also emphasize building trust among relevant parties to avoid the risk of over-restriction, which could stifle the business side. Specifically, it is crucial for everyone in our group, including recently integrated Seibu Construction Co., Ltd. and Kokusai Kogyo Co., Ltd., to once again share the sense of trust across the Group that they all play a critical role in realizing the corporate philosophy, Purpose, and the “Tripartite Approach” (the sense that we are all in the same boat) and to deepen mutual understanding and trust. By closely monitoring this aspect, I will continue to support efforts that will enable our company to make significant strides forward.

Contributing to Sustainable Growth and Evolution into a “Social Problem-Solving Company” through Going “Beyond a Telecommunications Construction Company”



Outside Director, Member of Nomination and Compensation Committee
KAWARATANI Shinichi

I was appointed as an outside director in June 2021 when the company was still MIRAIT Holdings, a pure holding company. Subsequently, in July 2022, the current operating holding company, MIRAIT ONE, was established through a three-way merger between MIRAIT Holdings, MIRAIT, and MIRAIT Technologies, simultaneously transitioning to a company with an Audit and Supervisory Committee. Over the three years since my appointment, while the company name, corporate framework, and organizational structure have changed, the underlying context has been a continuous strengthening and improvement of the governance system aimed at enhancing corporate value.

Personally, I have spent many years in general trading companies, venture businesses, and VCs both in Japan and abroad, challenging myself in numerous new business ventures and experiencing many failures. To accelerate the company's efforts towards “Beyond a Telecommunications Construction Company” under our Purpose, achieving sustainable growth and increasing corporate value, continuous strengthening of corporate governance as its foundation is essential. Based on my experiences of challenges and failures and resulting knowledge, I intend to provide a cool, external “eye” to enhance the effectiveness of the company's governance, identify risks in a rapidly changing business environment, and respond appropriately.

In the “MIRAI (future) domains,” project content is becoming increasingly complex and large-scale due to accelerated technological innovation. To continue taking on new challenges while appropriately managing risks, we must persistently focus on “people-centric management” and develop and strengthen a large number of human resources suitable for “future implementation.” Currently, our group is promoting large-scale talent exchanges within and between Group companies, as well as reskilling training tailored to each employee's growth model. Moving forward, I will continue to advocate for thorough investment in human capital to ensure that each employee can grow, fully utilize their abilities, and co-create an “exciting future.”

From a Group management perspective, I expect Seibu Construction Co., Ltd. and Kokusai Kogyo Co., Ltd., which were consolidated in 2022 and 2023 respectively, to become major growth drivers in non-telecommunications fields. Internationally, Lantrovision (S) Ltd, which joined the Group eight years ago, has been steadily growing in the Asian data center-related market by capturing current trends. Going forward, we aim to enhance the MIRAIT ONE Group's “future implementation” capabilities through the growth of individuals within the Group, intra-Group talent exchanges, and the expansion of circles of trust. Our goal is to evolve into a “social problem-solving company” that contributes to resolving societal issues across the entire Group. Throughout this process, I intend to continue fulfilling my role as an outside director, contributing to the sustainable growth and enhancement of corporate value for our group.

—Materiality—

Enhancing Corporate Governance/Thorough Compliance/Thorough Risk Management

Our group will continue to focus on addressing the above three materialities. Through these efforts, we will strive for sustainable enhancement of corporate value by increasing business opportunities through improved management soundness and transparency, strengthening business processes through thorough compliance with laws and regulations, and reducing capital costs by mitigating medium-and long-term growth inhibitors.

Ratio of outside directors and women directors
(as of June 25, 2024)

Outside directors/Board of Directors	5/13 (38.5%)
Outside directors/Audit and Supervisory Committee	2/3 (66.7%)
Women directors/Board of Directors	3/13 (23.1%)

2010
Establishment of MIRAIT Holdings Corporation

2016
Introduction of performance-linked compensation system
(KPI: Consolidated operating income)
Commencement of the appraisal of the effectiveness of the Board of Directors

2017
Establishment of a "Deliberative Forum"

2018
Establishment of Nomination and Compensation Committee
Appointment of female Board member (auditor)

2019
Performance-linked Compensation Addition of KPI (ROE)

2021
Addition of one outside director (total: three)

2022
Establishment of MIRAIT ONE
Transition to an Audit and Supervisory Committee Company
Launch of new group management as a business holding company
Increase in the number of outside directors
(Total of seven with three women)
Addition of Performance-linked Compensation KPI (ROE)
(GHG emissions reduction target)
Reinforcement of the audit function by enhancing the three-lines of defense
Establishment of the "Audit Department" as an independent organizations based on the three-lines of defense, and dual reporting system

2024
Changes to the Board of Directors structure
- Amendment to the Articles of Incorporation (maximum number)
Up to 21 members → Up to 15 members
(Including Directors who are Audit and Supervisory Committee Members)
- Change in the number of Directors (June 25)
19 members → 13 members
(Of which, Outside Directors: 7 members → 5 members)

Basic Approach

Recognizing the importance of management as a socially-responsible company, the MIRAIT ONE Corporation has established organizational structures and systems to ensure transparency and fairness in decision-making. Building trusting relationships with all of our stakeholders including shareholders is positioned as the most important aspect of management.

We recognize that achieving effective corporate governance is essential for building trust with stakeholders. We are committed to enhancing the effectiveness of our corporate governance through the following measures:

- Ensuring the rights and equality of shareholders
- Appropriate cooperation with stakeholders other than shareholders
- Ensuring appropriate information disclosure and transparency
- Fulfilling the responsibilities of the Board of Directors and other bodies
- Engaging in dialogue with shareholders

Governance Structure

We are a company with an Audit and Supervisory Committee, overseen by a board of directors, an audit and supervisory committee, and accounting auditors. We have set up a system for reciprocal cooperation where the Audit and Supervisory Committee together with an internal audit section and accounting auditors each perform independent inspections.

Also, we are working to further improve corporate value by strengthening the governance and the internal audit structure based on the policy of three-lines of defense, strengthening corporate governance through a close liaison between the Audit and Supervisory Committee and the internal audit section, improving the soundness and transparency of management, and making quick decisions.

Policy and Procedures for the Nomination of Candidates for the Board of Directors

In the process of nominating candidates for the Board of Directors, the MIRAIT ONE Corporation selects a wide variety of candidates from both inside and outside the company, consults with the Nomination and Compensation Committee, which is chaired by an independent outside director, and determines the candidates who have excellent personalities, superior insight and high managerial capabilities, at the Board of Directors' meetings based on the responses from the Committee.

* The rationale for selection of each director is outlined in the "Notice of general meeting of shareholders."

Effective Use of Outside Directors

For outside directors, we appoint individuals who have abundant experience and knowledge across different fields and can carry out their roles and duties with a specialized and objective viewpoint by providing guidance and managerial supervision from the perspective of enhancing the medium- to long-term corporate value of the company. For the independent outside directors who are members of Audit and Supervisory Committee, we appoint those who have abundant experience and knowledge across different fields, and can with independent and objective views properly monitor the board of directors' managerial decisions, execution of duties, and their observance of laws and ordinances, enhancing transparency of the board and serving greater corporate value.

Outside directors attend meetings, including Board of Directors meetings, to understand the Group's management issues.

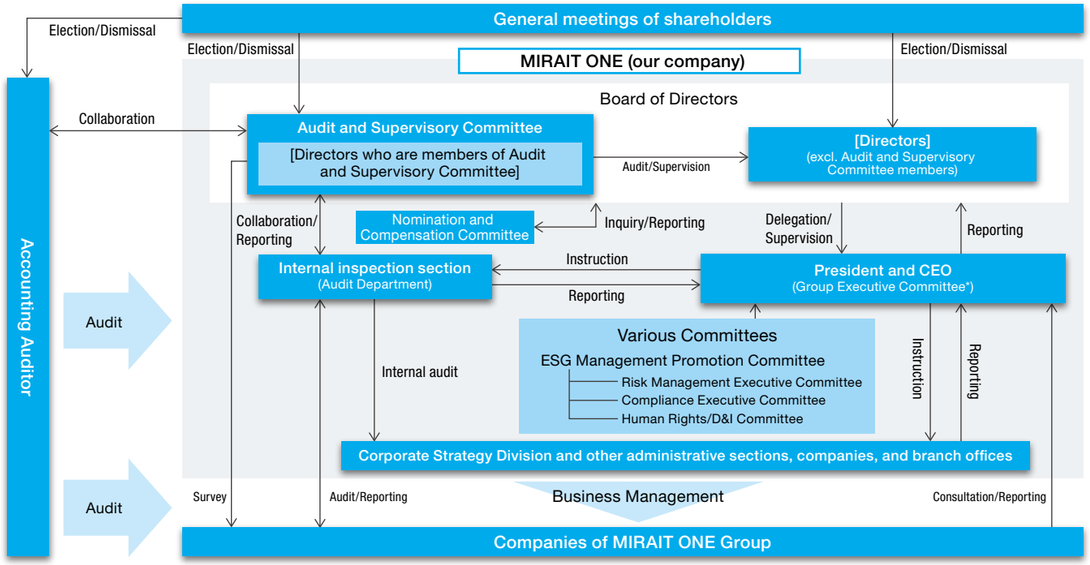
In addition, they offer their opinions from their respective professional and objective viewpoints as needed, and strive to ensure transparency and efficiency in management by exchanging views with other directors.

* The criteria for determining the independence of outside directors of the Company and the status of their activities are provided in the "Corporate Governance Report" and other documents.

Board Structure that Balances Diversity in Gender, Internationality, etc. and Appropriate Size

As a business holding company that oversees various business fields, the Company ensures that the composition of the Board of Directors is well-balanced by appointing individuals with a wealth of experience and superior knowledge in various specialized fields, such as business strategy, international strategy, finance, and personnel affairs.

Governance Structure



*Effective July 1, 2024, the Group Presidents' Council and the Executive Committee were integrated into the Group Executive Committee.

Overview of Established Corporate Bodies

Name (No. of meetings held in FY 2023)	Purpose/Authority	Representative/Chair	Members	
Board of Directors (21)	Responsible for resolving statutory issues relating to corporate management, formulating basic policies on management and significant matters relating to the conduct of business, and overseeing the performance of the duties of Directors	President and CEO NAKAYAMA Toshiki	Directors who are not members of Audit and Supervisory Committee	SUGAHARA Hidemune, TOTAKE Yasushi, MIYAZAKI Tatsumi, TAKAYA Yoichiro, WAKIMOTO Hiroshi, MITSUYA Takaaki, YAMAMOTO Mayumi*1, KAWARATANI Shinichi*1, TSUKASAKI Yuko*1
			Directors who are members of Audit and Supervisory Committee	SEO Shinji, KATSUMARU Chiaki (ISHIKAWA Chiaki) *1, HAYAKAWA Osamu*1
Nomination and Compensation Committee (10)	Body established as an advisory committee for the Board of Directors to enhance objectivity in matters related to the nomination and compensation of directors	Director (Outside) YAMAMOTO Mayumi*1	Directors	KAWARATANI Shinichi*1, TSUKASAKI Yuko*1, NAKAYAMA Toshiki
Audit and Supervisory Committee (14)	Responsible for reporting on the audit of the directors' performance of their duties, etc., and for resolving significant audit-related matters	Director, Audit and Supervisory Committee Member (Full time) SEO Shinji	Audit and Supervisory Committee members	KATSUMARU Chiaki (ISHIKAWA Chiaki) *1, HAYAKAWA Osamu*1
Group Presidents' Council*2 (48)	Responsible for receiving reports and deliberating on significant matters of management policy (primarily business policy)	President and CEO NAKAYAMA Toshiki	Company Presidents, Chiefs of company planning headquarters, Presidents of major group companies, Chiefs of planning headquarters of major group companies, Chief of Frontier Business Division, 1st Head of staff organizations, Directors who are members of Audit and Supervisory Committee (full time)	
Executive Committee*2 (29)	Responsible for receiving reports and deliberating on significant matters of management policy	President and CEO NAKAYAMA Toshiki	Company Presidents, Presidents of major group companies, Chief of Frontier Business Division, 1st Head of staff organizations, Directors who are members of Audit and Supervisory Committee (full time)	
ESG Management Promotion Committee (4)	Responsible for formulating the basic ESG policies and strategies for the entire Group, promoting various measures, and reporting on matters delegated by subordinate subcommittees (Risk Management, Compliance, Human Rights/D&I).	President and CEO NAKAYAMA Toshiki	Company Presidents, Presidents of major group companies, Chief of Frontier Business Division, 1st Head of staff organizations, Directors who are members of Audit and Supervisory Committee (full time)	

*1 Directors YAMAMOTO Mayumi, KAWARATANI Shinichi, TSUKASAKI Yuko, KATSUMARU Chiaki (ISHIKAWA Chiaki), HAYAKAWA Osamu are outside directors.
*2 The Group Presidents' Council and the Executive Committee were integrated into the Group Executive Committee as of July 1, 2024.

Status of Accounting Auditor

Name of the audit corporation	Continuous auditing period	Certified public accountants who performed audit operations	Composition of assistants concerning accounting audit operations
KPMG AZSA LLC	10 years	Designated partner, engagement partner, certified public accountant NAGASAKI Yasuyuki Designated partner, engagement partner, certified public accountant KOBAYASHI Keiji Designated partner, engagement partner, certified public accountant NAKAMURA Kohei	Certified public accountants: 12 people Those who passed the CPA exam, etc.: 3 people Others: 23 people

Skills Matrix for Directors

			Corporate Management/ Business Strategies	Sales/Marketing	Construction/ Operation of Communication Facilities, etc.	New Business Development/ Solutions Business	Technology/ Innovation/DX	Global Businesses	Personnel/Labor/ HR Development	Financial Accounting/ Finance	Legal/Risk Management/ Compliance/ Governance	Public Policies/ Academic Research
Directors who are not members of Audit and Supervisory Committee	NAKAYAMA Toshiki	Inside	●	●		●		●	●		●	
	SUGAHARA Hidemune	Inside	●	●	●	●	●	●				
	TOTAKE Yasushi	Inside	●		●		●		●			
	MIYAZAKI Tatsumi	Inside	●	●	●	●	●	●				●
	TAKAYA Yoichiro	Inside	●	●		●		●	●			
	WAKIMOTO Hiroshi	Inside	●	●		●			●		●	
	MITSUYA Takaaki	Inside	●							●	●	
	YAMAMOTO Mayumi	Outside									●	●
	KAWARATANI Shinichi	Outside	●	●		●		●				
	TSUKASAKI Yuko	Outside							●			●
Directors who are members of Audit and Supervisory Committee	SEO Shinji	Outside	●	●	●	●					●	
	KATSUMARU Chiaki (ISHIKAWA Chiaki)	Outside								●	●	●
	HAYAKAWA Osamu	Outside									●	●

Definition of the Primary Areas of Experience and Expertise (Skills) of Directors

Areas of Experience and Expertise (Skills)	Definition of Skills
Corporate Management/Business Strategies	Experience as a representative director or branch manager of a company of a certain size or larger
Sales/Marketing	Experience as a person responsible for the formulation and management of sales strategies and policies
Construction/Operation of Communication Facilities, etc.	Experience as a person responsible for formulating strategies and operational policies related to the construction and operation of telecommunications or electrical facilities
New Business Development/Solutions Business	Experience as a person responsible for formulating strategies and operational policies for the construction and operation of user facilities, or as a leader in the solution business
Technology/Innovation/DX	Experience in leading business process transformation or DX within a headquarters organization, etc.
Global Businesses	Experience in managing global business operations through overseas assignments or as a person responsible for global business management
Personnel/Labor/HR Development	Experience as a person responsible for personnel policies, personnel-related systems development, HR development policies, and union relations
Financial Accounting/Finance	Experience as a professional holding certifications such as certified public accountant and certified tax accountant, or as a person responsible for corporate finance, financing, financial accounting, or fund management/procurement at a financial institution
Legal/Risk Management/Compliance/ Governance	Experience as a professional holding a lawyer qualification, or as a person responsible for litigation execution/response, risk management, compliance promotion, internal control governance, safety and quality, and risk management
Public Policies/Academic Research	Experience in formulating laws and regulations at central government agencies or prefectures, examining policy issues as an expert in various committees, or leading advanced and specialized research as a researcher or professor at research and educational institutions such as universities

In addition, the Company aims to ensure transparency and enhance corporate value by having individuals with many years of practical experience in corporate management, experts in corporate legal affairs and finance, and academic experts join the Board of Directors as outside directors and provide an outside perspective.

As for the size of the Board of Directors, we have achieved greater effectiveness and efficiency by functioning sufficiently as a business holding company while at the same time having some board members who also serve as directors of core Group companies. The Company has appointed four women executive officers: two directors who are not members of Audit and Supervisory Committee, one director who is a member of Audit and Supervisory Committee and one executive officer.

The expertise and experience (skills) required of directors, as well as their details, are as shown in the above “Skills Matrix for Directors” and “Definition of the Primary Areas of Experience and Expertise (Skills) of Directors.”

Efforts to Ensure the Efficient Execution of Duties by Directors

In accordance with the Regulations of the Board of Directors, Board of Directors meetings are held once a month and as needed, and 21 meetings were held during FY 2023. The Board of Directors meetings deliberate on all matters to be discussed at the Board of Directors meetings in accordance with the internal regulations, and actively exchange opinions on each matter, as well as receive quarterly reports on the status of execution of duties by each director. In addition, the Board of Directors is evaluated for its effectiveness to improve its functioning.

Also, in light of the Corporate Governance Code, the “Nomination and Compensation Committee,” a voluntary advisory committee, was established under the Board of Directors to enhance the objectivity of nomination and compensation. The Committee met 10 times during FY 2023.

Independent outside directors hold regular meetings with representative directors to strengthen the monitoring function for the execution of duties by directors.

Efforts to Ensure the Effective Implementation of Audit and Supervisory Committee Member

In addition to inspecting important decision-making documents, Audit and Supervisory Committee Members attend significant meetings including Group Executive Committee meetings to gain an understanding of the company’s important decision-making process and the status of business execution. In addition, Audit and Supervisory Committee Members, representative directors, the Accounting Auditor, and others communicate with each other and exchange opinions to ensure that the audits by Audit and Supervisory Committee Members are conducted effectively.

The Company has established the Audit and Supervisory Committee Office with full-time staff to assist the Audit and Supervisory Committee in its duties, and three individuals have been assigned to this office.

Appraisal of the Effectiveness of the Board of Directors

At the Board of Directors meetings, we check the execution of duties by directors, including the state of compliance with laws and regulations, the state of risk management and information sharing, and the speed with which issues are resolved, and we also strive to ensure the effectiveness of the Board of Directors as a whole by holding meetings between representative directors and outside directors.

In addition, once a year, all directors are subject to a self-assessment of the effectiveness of the Board of Directors with the aim of improving the functioning of the Board of Directors as a whole and sharing awareness of the direction in which our corporate governance is headed.

More specifically, the self-assessment is conducted through an anonymous questionnaire to ensure that candid opinions are heard, and the questionnaire consists of major assessment items asking about the structure, operational status, responsibility and functions of the Board of Directors and the state of the Board of Directors as seen from outside directors. As for collecting responses, they are collected by an external law office with a duty of confidentiality, and they are analyzed by a third-party organization. Based on the results of this analysis, our Board of Directors has verified and evaluated the current situation and obtained favorable results, and continues to discuss issues related to the Board of Directors.

Training of Directors

The Company has established a systematic and regular series of executive seminars for directors and executive officers of the MIRAIT ONE Group. These seminars serve multiple purposes, including: (1) instilling and strengthening basic management skills appropriate for a prime market company; (2) providing opportunities to develop a comprehensive understanding of the market, technology and global trends including global conditions; and (3) aligning the direction of the directors and executives.

In addition, outside directors and others are provided with opportunities including inspections of business establishments of operating companies and construction sites, as appropriate, so that they can deepen their understanding of our business content and current conditions.

[Overview of the Effectiveness Assessment Made in FY 2022 and Results of Measures Taken]
[Major opinions]
In order to facilitate more substantive discussions aimed at increasing corporate value over the medium to long term, the Management Executive Committee needs to explore specific issues related to identifying issues at stake, sharing information, narrowing the agenda, securing time for deliberation, and delegating the execution of business execution.
↓
[Measures Having Been Taken]
Prior to deliberations at Board meetings, the Company actively worked to intensify discussions at Board meetings by providing additional opportunities for preliminary briefings and exchanges of views with representative directors, in addition to the existing “Deliberative Forum”.

[Overview of the Effectiveness Assessment for FY 2023]
[Major opinions]
There is a need for more constructive discussions on matters related to the composition of the Board of Directors and the appointment/dismissal of directors, as well as on medium- to long-term management direction. Specific consideration is also needed regarding the delegation of important business execution.
↓
[Measures Being Taken]
Regarding matters related to the composition of the Board of Directors and the appointment/dismissal of executive officers, we held repeated discussions on streamlining the Board structure in forums such as the Nomination and Compensation Committee, and implemented the resulting measures. Additionally, for medium to long-term group management strategies and delegation of important business execution, we are further deepening discussions of the Board of Directors through debates in “Deliberative Forum,” where Board members can freely exchange opinions. We are continuously working to maintain and improve effectiveness through these efforts.execution.

Planning and Development of Successors for the CEO, etc.

Regarding succession planning and development for the CEO and other senior executive positions, from the perspective of ensuring transparency and fairness in company decision-making and enhancing corporate governance more effectively, we formulated a “Succession Plan for Directors (including Representative Directors)” at the Board of Directors meeting held on April 26, 2024. This plan is being appropriately implemented in line with our management philosophy and business strategy. For the appointment of the CEO, the Nomination and Compensation Committee, chaired by an independent outside director, is consulted, and the Board of Directors votes on the appoint-

ment based on the report of the Nomination and Compensation Committee.

Compensation, etc. of Executive Officers

Basic Policy

With regard to the compensation of directors (excluding the directors who are Audit and Supervisory Committee Members. The same applies below), the total amount (limit) is set by the General Meetings of Shareholders after approval by the Board of Directors, and each director receives compensation in accordance with their roles and responsibilities.

Also, with regard to the policy for deciding the compensation of each director, for the purpose of enhancing objectivity and transparency, the "Nomination and Compensation Committee" (chaired by an independent outside director), which is an advisory body to the Board of Directors and consists of three independent outside directors and the President and CEO, reports the results of its deliberations to the Board of Directors, which then makes decisions based on the report.

Outside directors, who are responsible for supervisory functions, are paid only monthly basic compensation in light of their duties.

* Details of compensation for executive officers are provided in the "Securities Report."

Introduction of Performance-linked Compensation System

The Company has introduced the "Board Benefit Trust," a performance-linked stock compensation system, to clarify the link between the compensation of executive officers and the Company's business performance and stock value, and to increase awareness of their contributions to the Company's performance and value over the medium to long term.

As for the indicators for performance-linked compensation, the Company has chosen the degree of achievement in areas such as the "consolidated operating income," "ROE," and "ESG indices." These metrics were selected for their ease of understanding and are designed to raise awareness of one's contribution to improving the Group's consolidated performance and corporate value. A benchmark was established by allocating 30% of the monthly compensation for a period of three months in accordance with the "Internal regulations on issuing shares to executives." Under the point system, the number of points is calculated by multiplying the performance-linked coefficient determined by the level of achievement of the Company's "consolidated operating income", "ROE" and "ESG Indices". Upon retirement, one share is granted for each point earned.

Also, in FY 2022, the Company introduced the "GHG reduction target" into the set of indexes for performance-linked compensation as a consolidated ESG index to raise awareness of ESG initiatives among management personnel.

Percentage of the Amount of Monetary Compensation and the Amount of Performance-linked Compensation, etc.

Monthly Compensation (Fixed Compensation)	Variable Compensation	Non-monetary Compensation
80%	20%	6%

* In consideration of insider trading regulations, etc., and in order to heighten management awareness and the common goal of increasing shareholder value, directors (excluding outside directors) are required to contribute at least 10% of their monthly compensation to the Executive Officers' Stock Option Plan, which effectively changes the percentages: 72% for fixed compensation, 28% for variable compensation, and 14% for non-monetary compensation (stock-based compensation).

Matters Concerning Delegation of Authority for Determining Compensation, etc. of Individual Directors

For FY 2023, it has been resolved that the decision on the amount of basic compensation for each director and the amount of bonuses based on the business performance of each fiscal year would be left to President and CEO NAKAYAMA Toshiki, assuming that the Nomination and Compensation Committee would be consulted within the range of the total amount approved at the General Meeting of Shareholders, based on the resolution of the Board of Directors on June 27, 2023. The reason for delegating these authorities is that the President and CEO is considered to be the most suitable person to evaluate the execution of duties by each director while having a bird's eye view of the company's overall business.

Total Amount of Compensation for Each Executive Class, Total Amount of Compensation by Type, and the Number of Eligible Executive Officers

Executive Class	Total Amount of Compensation (million yen)	Total Amount of Compensation by Type (million yen)		Number of Eligible Executive Officers (people)
		Fixed Compensation	Performance-linked Compensation	
Directors (excluding Audit and Supervisory Committee Members and Outside Directors)	232	179	52	11
Audit and Supervisory Committee members (excluding outside audit and supervisory committee members)	42	42	–	2
Outside executive officers	75	75	–	8

Total Amount of Consolidated Compensation, etc. for Each Executive Officer

This information is not provided because no executive officer received a total of 100 million yen or more in consolidated compensation, etc.

Transactions with Related Parties

We require that competitive transactions and conflict-of-interest transactions conducted by directors be deliberated and approved by the Board of Directors, and that the status of such transactions be reported to the Board of Directors on a regular basis.

We require executive officers to submit a "Related Party Confirmation Statement" to ascertain whether there are any transactions with related parties, such as themselves, their close relatives, organizations they represent, and organizations in which they hold majority voting rights.

With regard to transactions with major shareholders, in accordance with internal regulations, the person with decision-making authority is required to confirm the appropriateness of such transactions to ensure that they do not harm the Company or the common interests of shareholders, and report particularly important transactions to the Board of Directors.

Strategic Shareholdings

Criteria and Concepts for Classification of Investment Shares

Our group classifies shares that it holds for the following purposes as strategic shareholdings.

A. Maintaining and strengthening business relationships with the investee company
B. Maintaining and strengthening cooperative relationships to promote alliance business
C. Cooperation aimed at facilitating efficient construction and similar purposes.

Shares held for other purposes are classified as investment shares for pure investment purposes.

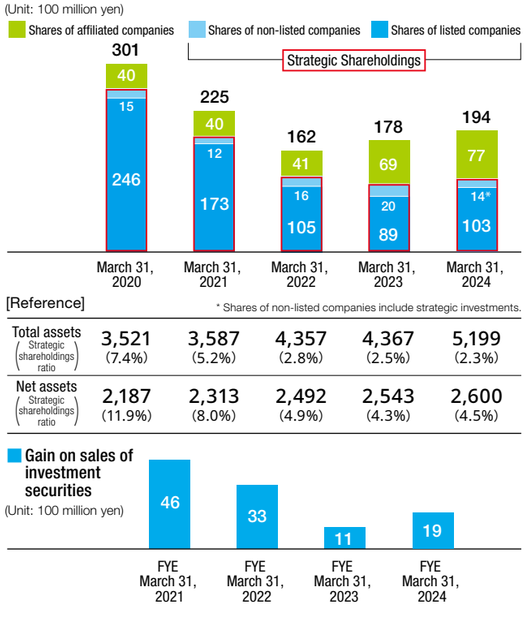
Strategic shareholdings policy, method of verifying the rationality of shareholding, and details of the Board of Directors' verification regarding the appropriateness of holding individual issues

A. Holding policy
Our group holds shares of its business partners when it believes that holding such shares will enhance the Group's corporate value and benefit its shareholders. After reviewing the purpose of holding shares and the status of transactions, etc., if the holding of such shares is deemed to be of little significance through quantitative and qualitative verification, we will gradually reduce the holdings through divestment, etc.

B. Methods of verifying the rationality of shareholding
The Company conducts quantitative and qualitative review of strategic shareholdings in terms of medium- to long-term economic rationality and future prospects based on return and risk, etc.

C. Details of review by the Board of Directors, etc. as to whether or not to hold individual issues

Changes in investment securities



Gain on sales of investment securities

With regard to strategic shareholdings retained by the Group, the Company conducts a review of the purpose of holding such shares, the status of transactions, etc., and determines whether or not to continue holding such shares by reviewing each individual issue quantitatively and qualitatively once a year at a meeting of the Board of Directors, in terms of whether the returns and risks associated with the holdings are commensurate with the cost of capital, the purpose of the holdings, future business trends, etc.

We are divesting shares for which, as a result of the verification, we believe there is little significance in holding, taking into consideration the share price and other factors. In addition, we will manage the status of strategic shareholdings and their reduction across the entire Group through annual verification. Based on the above policy, etc., we divested 6 issues in FY 2023.

Management of Insider Information as well as Timely and Fair Disclosure

The MIRAIT ONE Group discloses accurate information in a timely manner through TDnet and EDINET in accordance with the Disclosure Policy published separately. We also make use of mediums such as our corporate website (https://www.mirait-one.com/english/) and press releases, actively working to further broaden our information dissemination. Furthermore, The MIRAIT ONE Group strives to provide beneficial information that is easy for shareholders and other investors to understand, such as materials used in its IR activities.

In our dealings with all shareholders and other investors, we will fully and properly manage information in accordance with "Rules on insider trading regulations" when we are in possession of material information that has not yet been disclosed to the public.

Efforts to Enhance Communication

The IR Department undertakes investor relations activities as the department in charge of investor relations under the supervision of the Director and Chief of Finance and Accounting Division, who is the manager responsible for the handling of information. The managers responsible for investor relations handle consultations with all of our shareholders and other investors as much as possible.

Individual consultations*

(case)

FY 2023	Japan	Overseas	Total
First half	23	1	24
Second half	42	9	51
Total	65	10	75

* Excluding inquiries by phone and email
Consultations were held with analysts (sell-side and buy-side), fund managers, and others.

The MIRAIT ONE Group holds financial results briefings twice a year for analysts and institutional investors and distributes the briefings on its website, etc. In addition to providing important information in English in a timely manner to overseas institutional investors, we also engage in overseas IR activities

in the North American, European and Asian regions. Our representatives also work to explain matters fully at these financial results briefings and in our overseas IR activities to encourage constructive dialogue with all of our shareholders and other investors.

Financial Results Briefing for Analysts

2Q results	Date	November 17, 2023
	Participants	32 people
	Archive viewers	Japanese: 655 people
		English: 61 people
Fiscal year-end results	Date	May 17, 2024
	Participants	30 people
	Archive viewers (as of August 31)	Japanese: 680 people
		English: 45 people

In addition, in order to help people deepen their understanding of our business, we participate in online company information sessions streamed live for individual investors, as well as individual investor information sessions held by securities companies as appropriate.

Briefing for Individual Investors

First half	Date	September 21, 2023
	Participants	840 people
	Archive viewers	344 people
Second half	Date	March 22, 2024
	Participants	800 people
	Archive viewers	506 people

The opinions of shareholders and investors are provided as feedback to management at meetings of the Board of Directors and the Group Executive Committee. Dialogues with shareholders are also available on our website. Furthermore, the Group also sends MIRAIT ONE Report booklets that include business performance and topics to all of the shareholders twice a year.

* For details of dialogue with shareholders and investors, see the Company's website (https://ir.mirait-one.com/dialogue/index.html).

Status of measures to facilitate the operation of the General Meeting of Shareholders, and the exercise of voting rights

With regard to the operation of the General Meetings of Shareholders, we aim to help shareholders understand better, for example, by printing the convocation notice in color and using video images to present business reports. The convocation notice, reference documents, and reports are also available on our website.

The notice for the 14th Annual General Meeting of Shareholders, scheduled for June 25, 2024, was sent on June 7, 2024, 18 days prior to the meeting (the legal date is June 10, 2024). On June May 31, 2024, (25 days prior to the General Meeting of Shareholders), the Company initiated electronic delivery measures on the Tokyo Stock Exchange and the Company's website (the legal date was June 4). This was done to ensure that shareholders had sufficient time and access to information to exercise their voting rights. At the general meeting venue, we made environmental arrangements in consideration of the Act for Eliminating Discrimination against Persons with Disabilities (Disability Discrimination Elimination Act), such as setting up designated wheelchair areas.

In order to deepen the understanding of shareholders and others who were unable to attend the meeting, the business report was posted in video format on the Company's website in advance, and the meeting was streamed live on the day of the meeting. The video of the meeting is also made available after the meeting for shareholders who were unable to view the live stream.

Dialogue with stakeholders

In the current phase of accelerating growth in MIRAI (future) domains such as "urban and regional development/Corporate DX and GX" businesses and global businesses, our customer base is expanding from conventional telecommunication carriers to local governments and private enterprises, and collaboration partners are also increasing due to the integration of Seibu Construction Co., Ltd. and Kokusai Kogyo Co., Ltd. So, the Group are strengthening stakeholder engagement mainly in efforts toward the Purpose (meaning of existence) and Mission (public mission), which defines the Group stance toward different stakeholders (→ see pages 6 "Purpose," "Mission," and "Stakeholders in view").

Shared Values and Communication Channels in Stakeholder Engagement

	Customers	Shareholders and investors	Partners	Employees
Shared values	Measures against changes of the times and social problems	Improvement of corporate value	Personnel development, business growth, and sustainable growth	Growth of the company and individuals
Communication channels	Domestic/ Overseas business offices and workplaces	General meetings of shareholders, results briefing, and other various meetings	MIRAIT ONE Partners, domestic/ overseas business locations	Various opportunities of dialog, one-on-one meeting

Major interests raised in dialog with shareholders and investors

Listed below are major opinions and questions that we received in dialogue with shareholders and investors. They are fed back to the management personnel for the improvement of management and the strengthening of engagement.

Item	Questions
Business status and evaluation	Evaluation of the previous fiscal year's financial results and plans for the current fiscal year/Profitability at the time of order acceptance/ Response to the construction industry's "2024 problem"/Employee wage revisions and recruitment status
Business strategies under the medium-term management plan	Approach to current fiscal year's plan/Impact of Kokusai Kogyo Co., Ltd.'s full-year contribution/Impact of core system renewal/Data center business/Aims and effects of regional management reform/ Progress and evaluation of medium-term management plan/M&A strategy, shareholder return policy/Human resource development strategy, DX strategy/ESG initiatives (GHG reduction, women's empowerment, diversity)
MIRAI (future) domains	Current order situation/Current profitability of each sector and future outlook

* For details of dialogue with shareholders and investors, see the Company's website (https://ir.mirait-one.com/dialogue/index.html).

Sustainability Governance Structure

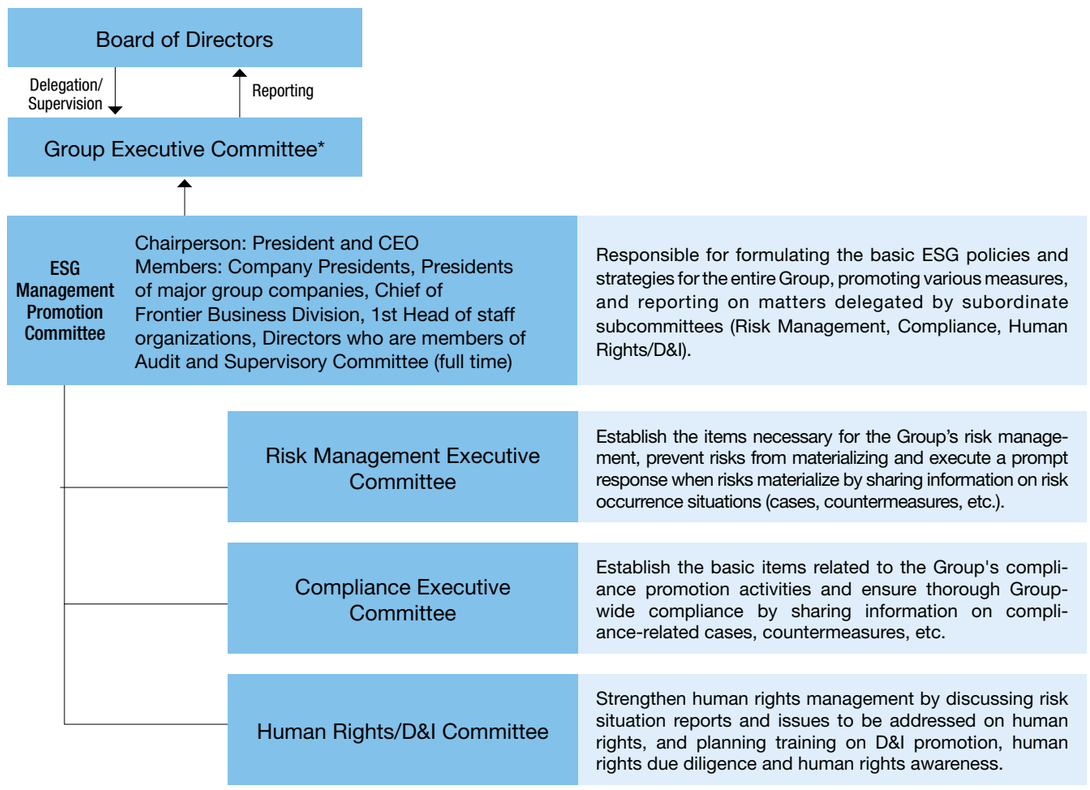
Promote ESG-oriented Management to Contribute to the SDGs and Enhance Corporate Value for Sustainable Growth

As part of its sustainability governance, the MIRAIT ONE Group promotes ESG-oriented management with the aim of contributing to the SDGs and enhancing corporate value for sustainable growth. Under the "ESG Management Promotion Committee," we have advanced initiatives such as "identifying key issues (materiality)," "endorsing TCFD," and "obtaining SBT certification" (→see pages 33-34,45-46). Furthermore, in the 5th Medium-Term Management Plan starting from FY 2022, we have set forth Change 5 "Strong foundation for ESG management" as one of the growth strategies "5 Changes" aimed at realizing the "MIRAIT ONE Group Vision 2030." We are working on:

- Initiatives aimed at the achievement of greenhouse gas reduction targets
- Co-creation of social value through the MIRAIT ONE Partner Association
- Strengthen the audit function by enhancing the audit system and the three-lines of defense
- Strengthening of corporate governance through new Group management system

ESG Management Promotion Structure (Sustainability Governance Structure)

The ESG Management Promotion Committee, chaired by the President and CEO, formulates basic policies and strategies on ESG management in general, identifies material issues, and responds to various environmental initiatives. The "Risk Management Executive Committee," "Compliance Executive Committee" and "Human Rights/D&I (Diversity and Inclusion) Committee," all chaired by the compliance officer, are administered under the ESG Management Promotion Committee. The Risk Management Executive Committee deliberates and decides on policies and systems for effective and efficient risk management, while the Compliance Executive Committee reports and corrects cases of compliance incidents in the Group and examines measures to raise compliance awareness (→see page 63). In addition, the Human Rights/D&I Committee reports on human rights risk situations, and discusses and examines issues to be addressed, Diversity & Inclusion promotion and other items (→see pages 42-43).



*Effective July 1, 2024, the Group Presidents' Council and the Executive Committee were integrated into the Group Executive Committee.

Thorough compliance

Establishing Through Compliance as Corporate Culture

Setting forth the slogan “Give importance to sustainability and compliance to respond to the expectations of society” as one of its Missions (public mission) and focusing on “thorough compliance” as one of its Materiality items, the Group established the “MIRAIT ONE Group Safety/Compliance Charter” to make sure all directors and employees understand that thorough compliance is a key to successful corporate management.

The Charter sets forth basic policies regarding “efforts to foster morality,” “fair trading,” “information disclosure,” “elimination of relationship with antisocial forces,” and so forth, as the top priority issues to be addressed.

Also, based on the “Compliance regulations,” the “Compliance Executive Committee,” chaired by a director in charge of compliance, met twice in FY 2023 under the ESG Management Promotion Committee, chaired by the President and CEO, to share information on individual issues and compliance-related incidents and measures.

The internal audit section conducts monitoring to verify the effectiveness of compliance promotion activities. Also, the MIRAIT ONE Group conducts not only operation auditing but also organization scrutiny for any violation or deficiency including bribery by naming a compliance promotor in each department, aiming for the elimination of misconduct by improving self-cleansing ability of each department for early detection and quick action.

Furthermore, the Group conducts a yearly survey of employees regarding risks that they have heard about or believe may arise in their daily operations, as well as their own and their departments’ compliance awareness, to help identify issues and consider countermeasures.

(1) Training

Given the increasing importance of compliance in driving the company's business, we are actively engaged in raising awareness of the importance of compliance. This is achieved through consistent communication on compliance in training for executive officers, for different job levels, and with partner companies.

(2) Development of Internal Reporting System

The Company has established a system to receive warnings and consultations from personnel, including directors, employees, non-regular employees, dispatched members, and retired workers within one year of retirement in the Company, Group companies, and partner companies.

1. **Compliance Meyasubako**
   As part of our whistleblower program, we encourage the reporting of potential issues related to fraud, misconduct, improper accounting, embezzlement, bribery, bid rigging, corruption and other compliance violations. This proactive approach enables us to identify internal risks in their early stages and take steps to mitigate those risks and prevent violations.
2. **Nandemo Sodanshitsu (consultation window for all matters)**
   This service, which handles a wide range of consultations including working conditions and human rights (including harassment), allows us to actively listen to the opinions and suggestions and take steps to resolve problems.
3. **External consultation desk**
   We have established an external consultation window, staffed by legal experts, to provide assistance in cases where employees have difficulty seeking internal advice.



Due Payment of Taxes

The Group complies with the tax laws and regulations specific to each country and region in which it operates, as well as international taxation rules such as the BEPS* Action Plan. We are committed to maintaining and improving tax compliance and ensuring the payment of fair and due taxes.

* BEPS: Base Erosion and Profit Shifting

Thorough Risk Management

Handling of Risks

The Company has taken steps to ensure accurate and effective risk management by formulating “Risk Management Regulations” to define essential matters concerning the risks associated with the MIRAIT ONE Group. The “Risk Management Executive Committee,” chaired by the director in charge of compliance, was established under the ESG Management Promotion Committee chaired by the President and CEO to deliberate on risk management issues. The committee met twice in FY 2023. In addition, the internal audit section conducts monitoring to verify the effectiveness of risk management.

Additionally, since FY 2024, we have established a new “Business Risk Management Office” to prevent the recurrence of large-scale unprofitable projects in new business areas. We have built a system to prevent and monitor business risks from both business and governance sides (→see pages 13-14 “President’s Message”). Including such business risks arising from the new areas, the main risks that we believe could affect our business performance and financial position as of the end of March 2024, along with measures to address them, are listed in the table on the next page.

Development of Internal Control System

Our board of directors has adopted the Basic Policies for the Internal Control System to ensure the appropriateness of operations of The MIRAIT ONE Group. We have also enacted Administrative Regulations for Subsidiary Companies and a Group-wide internal control system in our effort to appropriately manage the Group through specific internal controls at our subsidiary companies.

In addition, we manage important matters that have a significant impact on the entire corporate group by receiving reports from and discussing with subsidiaries, and take necessary measures as a corporate group.

Thorough Risk Management

Major risks	Overview	Measures
1. Dependence on specific business partners	Our Group's main business partners include NTT Group and other telecommunications companies, which account for a significant portion of our sales. The capital investment patterns and technological advances of these partner organizations may affect the business performance of our Group.	We are accelerating our transition to “MIRAI (future) domains,” which we have identified as a new growth area that represents a shift from the telecommunications carrier business to the solutions business. Our goal is to create new business opportunities beyond the framework of traditional businesses and technologies.
2. Initiatives for new areas	If unexpected significant risks occur as a result of challenges in new areas, it may affect the business performance of our Group.	Our group has established a “Business Risk Management Office” with the aim of thoroughly checking risks related to individual projects, promoting smooth risk management, and sharing case studies and know-how for managing risks. Through this office, we strive for optimal risk management.
3. Safety and quality	In the event of an unexpected incident leading to a serious accident or other critical quality issue, the Group's business performance could be adversely affected by a loss of confidence among business partners and restrictions on sales activities.	Utilizing an integrated safety and quality management system, our Group is united in its efforts to manage safety and quality so that we can deliver high quality engineering and services that are trusted and valued by our customers.
4. Management of important information	Through our business activities, we may obtain technical data, personal information, and other important information from our business partners. In the event that information is leaked due to unforeseen circumstances or is misused, our group's business performance may be affected by loss of trust from business partners and liability for damages.	We are committed to the prevention of information leaks through the implementation of the Information Security Management System (ISMS).
5. Credit uncertainty of business partners	If our business partners' credit worthiness becomes uncertain, we may experience difficulties in collecting construction payments or be forced to delay construction work, which could adversely affect our Group's business performance.	Our Group works to avoid credit uncertainty risks by managing the creditworthiness of our business partners through the use of external investigative agencies, etc., and by having our legal staff review contracts.
6. Procurement and price increase of materials	In the event of natural disasters, armed conflicts, acts of terrorism or the outbreak of a new infectious disease, the escalation of construction costs associated with rising prices for raw materials, equipment and energy, coupled with potential material shortages or delays, could result in project suspensions or delays. In addition, clients may reduce or postpone their investments, which could affect the Group's business performance.	Our precise process management is designed to minimize construction time extensions by prioritizing processes that are not experiencing material shortages. In addition, we are working to mitigate the risks associated with rising construction costs by incorporating conditions for raw material price increases into contract clauses and passing these costs through to construction prices.
7. Assets held	We hold securities and other assets as a necessary part of our business, but significant fluctuations in their market value or other factors may adversely affect the Group's business performance.	Securities that are deemed to be of minimal importance to hold, based on a rigorous quantitative and qualitative assessment, are gradually reduced to avoid the risk of market value fluctuations.
8. Natural disasters, etc.	In addition to the direct harm caused to the Group's employees, partners and facilities by a major disaster or infectious disease outbreak, unexpected events such as disruptions to the lifeline services or fuel shortages could result in construction interruptions or delays. These factors have the potential to affect the Group's business performance.	In preparation for earthquakes and other natural disasters as well as infectious disease outbreaks, our group has taken various measures, including the formulation of a BCP (business continuity plan), the establishment of an employee safety confirmation system, disaster drills, and a shift to a new work style.
9. Overseas business	Our group operates in foreign countries, mainly in Asia and Oceania, and our business performance may be affected by significant changes in political and economic conditions, exchange rates, and legal regulations, as well as epidemics of infectious diseases, sharp rises in material prices, and significant increases in unit labor costs in the host countries.	We are working on risk prevention and avoidance through information sharing within the Group and by operating from a moderately dispersed country base.
10. Climate change	With the materialization of problems of global climate change, enterprises are required to take environment conscious measures such as the reduction of greenhouse gas emissions and the reduction of industrial waste. These considerations tend to be required not only for the Group but also for the set of companies in supply chains. In such circumstances, if the Group or a partner company cannot behave properly, it may impact the performance of the Group due to a customer imposing restriction on trade.	In terms of materiality, the Group actively supports the recommendations of the “Task Force on Climate-related Financial Disclosures (TCFD)” by formulating a clear policy on “Building and Maintaining an Environmentally-Friendly Society.” In line with the TCFD framework, the Group is committed to analyzing risks and opportunities associated with its business, tracking and mitigating greenhouse gas (GHG) emissions generated by its operations, and continuing to reduce industrial waste.
11. M&A	The Group actively pursues the expansion of businesses and the transformation of business models through M&A with companies that are expected to create synergies. However, if an M&A target fails to deliver the expected profit growth or synergy, this could have an impact on the Group's business performance.	Before pursuing any M&A activity, we will carefully assess its alignment with the Group's growth strategy, future market trends, business plans and synergy potential with our Group. In addition, we will strengthen our monitoring of the post-acquisition integration process by defining the necessary implementation steps and their timing to optimize the synergy effect.
12. Compliance with laws and regulations	Our Group has obtained permits and licenses under the Construction Business Act, the Telecommunications Business Act, the Radio Act, and other relevant laws and regulations and conducts business activities in compliance with laws and regulations related to the conduct of business. Violation of these laws could have a negative impact on the Group's performance and credibility.	The Group is committed to ensuring ongoing compliance with laws and regulations through active monitoring of developments, including legislative revisions, by the relevant internal department. We disseminate this information promptly throughout the Group, review internal regulations as necessary, conduct awareness training for employees throughout the Group and partner companies, and establish an effective internal audit and consultation system.

Board Members (as of June 25, 2024) (No. of Board of Directors meetings attended for FY 2023)



Shares owned: 20,143
Years of service as director: 6
No. of Board of Directors meetings attended
21/21 (100%)

Representative Director
President and CEO

NAKAYAMA Toshiki

Reason for appointment:

Based on his extensive management experience in the telecommunications industry, he oversees the management of the entire Group as the President and CEO towards enhancing corporate value. He demonstrates strong leadership in promoting management reforms and developing new businesses. Given his excellent character, insight, and management capabilities, we have determined that he is the appropriate person for our company in pursuit of sustainable corporate value enhancement.



Shares owned: 6,000
Years of service as director: Newly appointed
No. of Board of Directors meetings attended
- (Newly appointed)

Representative Director
Executive Vice President

SUGAHARA Hidemune

Reason for appointment:

He held key positions for many years at NTT Communications Corporation, a group company of Nippon Telegraph and Telephone Corporation, and other companies. He possesses high-level expertise, specialized knowledge, and extensive experience in new service development, business expansion, and corporate management in the telecommunications industry. Given his excellent character, insight, and management capabilities, we have determined that he is the appropriate person for our company in pursuit of sustainable corporate value enhancement.



Shares owned: 11,135
Years of service as director: 5
No. of Board of Directors meetings attended
21/21 (100%)

Representative Director
Senior Managing Executive Officer

TOTAKE Yasushi

Reason for appointment:

Based on his extensive management experience in the telecommunications industry and broad knowledge and experience in the field related to telecommunications facilities, he contributes to enhancing the corporate value of the entire Group as the Representative Director and Senior Managing Executive Officer of our company. Additionally, as President of the Carrier Business West Company, he is promoting business expansion and organizational structure enhancement. Given his excellent character, insight, and management capabilities, we have determined that he is the appropriate person for our company in pursuit of sustainable corporate value enhancement.



Shares owned: 8,369
Years of service as director: 2
No. of Board of Directors meetings attended
21/21 (100%)

Director
Senior Managing Executive Officer

MIYAZAKI Tatsumi

Reason for appointment:

Based on his extensive management experience in the telecommunications industry, he contributes to strengthening the company's management foundation in his role as Director and Senior Managing Executive Officer and Chief of Frontier Business Division. In these positions, he oversees the sales strategies for both the solution and frontier business areas, while being responsible for planning and promoting solution business strategies, advancing new business development, and overseeing overseas operations. Given his excellent character, insight, and management capabilities, we have determined that he is the appropriate person for our company in pursuit of sustainable corporate value enhancement.



Shares owned: 4,075
Years of service as director: 2
No. of Board of Directors meetings attended
21/21 (100%)

Director
Senior Managing Executive Officer

TAKAYA Yoichiro

Reason for appointment:

Based on his extensive management experience in the telecommunications industry, he contributes to strengthening the company's management foundation in his role as Director and Senior Managing Executive Officer of our company and President of the Solution Business Company. In these positions, he oversees the sales strategies for the solution business areas, while being responsible for planning and promoting solution business strategies and advancing new business development. Given his excellent character, insight, and management capabilities, we have determined that he is the appropriate person for our company in pursuit of sustainable corporate value enhancement.



Shares owned: 7,105
Years of service as director: 2
No. of Board of Directors meetings attended
21/21 (100%)

Director
Managing Executive Officer

WAKIMOTO Hiroshi

Reason for appointment:

Based on his extensive management experience in the telecommunications industry, as the Representative Director and President of mmbi Inc., and at MIRAIT Corporation, he contributes to strengthening the management foundation of the entire Group in his role as Director and Managing Executive Officer, and Head of the General Affairs and Human Resources Division of our company. Given his excellent character, insight, and management capabilities, we have determined that he is the appropriate person for our company in pursuit of sustainable corporate value enhancement.



Shares owned: 5,542
Years of service as director: 1
No. of Board of Directors meetings attended
15/15 (100%)

Director
Managing Executive Officer

MITSUYA Takaaki

Reason for appointment:

Based on his extensive management experience in the telecommunications industry, he contributes to strengthening the management foundation in his role as Director and Managing Executive Officer, and Chief Financial Officer of our company. In this position, he oversees the financial strategy for the entire Group, being responsible for improving and strengthening the Group's financial structure, cash management, and other related areas. Given his excellent character, insight, and management capabilities, we have determined that he is the appropriate person for our company in pursuit of sustainable corporate value enhancement.



Shares owned: 586
Years of service as director: 4
No. of Board of Directors meetings attended
20/21 (95%)

Outside Director

YAMAMOTO Mayumi

Reason for appointment:

As an attorney, she possesses advanced specialized knowledge and extensive experience in corporate law. Additionally, she has served as a member of various government advisory councils including a public interest member of the Central Labour Relations Commission. With her objective and professional perspective, she is well-suited to overseeing our company's management. Although she has not been directly involved in corporate management, her advanced specialized knowledge in corporate law and the insights and perspective gained from her experience in government institutions make her well-suited to overseeing the management of our group, and we have high expectations for her role.



Shares owned: 2,347
Years of service as director: 3
No. of Board of Directors meetings attended
21/21 (100%)

Outside Director

KAWARATANI Shinichi

Reason for appointment:

For many years, he has been involved in business investments and nurturing new businesses in the information and communications field. He has insights into corporate management related to information and communications based on his experience as the Representative Director and President of a company handling IT solutions. Furthermore, as the CEO of a venture capital firm, he has been involved in creating various new businesses both domestically and internationally, and has extensive experience in overseas business, including in the United States. Our company believes that his knowledge and insights in creating and expanding new businesses both domestically and internationally, as well as in managing global businesses, make him well-suited to overseeing the management of our group. Therefore, we expect him to enhance the transparency of the Board of Directors and strengthen its supervisory functions.



Shares owned: 1,173
Years of service as director: 2
No. of Board of Directors meetings attended
20/21 (95%)

Outside Director

TSUKASAKI Yuko

Reason for appointment:

She held key positions in the Ministry of Health, Labour and Welfare for many years, including serving as the Director of the Gender Equality Promotion Division, Gender Equality Bureau, Cabinet Office. Through these roles, she has gained high-level insights and extensive experience in promoting women's empowerment and diversity. After retiring from government service, she became a professor at Taisho University, where she has acquired rich experience and high-level insights and expertise in the fields of regional revitalization and public policy. Although she has not been directly involved in corporate management, we believe her broad expertise in various specialized fields gained through policy-making in government will be valuable for our company, which is engaged in the construction and operation of industrial and social infrastructure. In addition, her knowledge of regional revitalization makes her well-suited to serving as an outside director of our company, further strengthening our management oversight function in promoting ESG management. We look forward to her contributions in this role.



Shares owned: 7,119
Years of service as director: Newly appointed
No. of Board of Directors meetings attended
- (Newly appointed)

Director, Audit and Supervisory Committee Member (Full time)

SEO Shinji

Reason for appointment:

For many years, he has been involved in telecommunications infrastructure construction and solution businesses, accumulating extensive operational experience. Based on this experience, he oversees construction safety and quality, supporting our company's business and contributing to the strengthening of our management foundation. Given his character, insight, and management experience, we believe he is well-suited to supervising the execution of duties by directors, and we expect him to fulfill this role effectively.



Shares owned: 3,821
Years of service as director: 2
No. of Board of Directors meetings attended
21/21 (100%)

Outside Director, Audit and Supervisory Committee Member

KATSUMARU Chiaki (ISHIKAWA Chiaki)

Reason for appointment:

For many years, as a Certified Public Accountant, she has accumulated extensive experience and high-level specialized knowledge in corporate finance and accounting through her work at a major auditing firm and accounting office. Additionally, she has gained broad knowledge through auditing local governments. She has been serving as an auditor of our company since June 2018, conducting comprehensive and professional audits from a neutral and objective perspective, making her well-suited to supervising the execution of duties by directors. We expect her to fulfill her role effectively as an Audit and Supervisory Committee member.



Shares owned: 0
Years of service as director: 1
No. of Board of Directors meetings attended
14/15 (93%)

Outside Director, Audit and Supervisory Committee Member

HAYAKAWA Osamu

Reason for appointment:

For many years, he has been engaged in police work at the National Police Agency, holding key positions such as Prefectural Police Chief, Director General of the Kanto Regional Police Bureau, and Deputy Director-General for Road Transport Bureau at the Ministry of Land, Infrastructure, Transport and Tourism. Through these roles, he has acquired high-level insights, expertise, and extensive experience in police administration and related fields. We have determined that as an Audit and Supervisory Committee member of our company, he can provide appropriate supervision and advice to further strengthen corporate governance, particularly in the areas of compliance and risk management, making him well-suited to ensuring transparency and fairness while enhancing the effectiveness of our company's business execution. We expect him to fulfill his role effectively as an Audit and Supervisory Committee member.

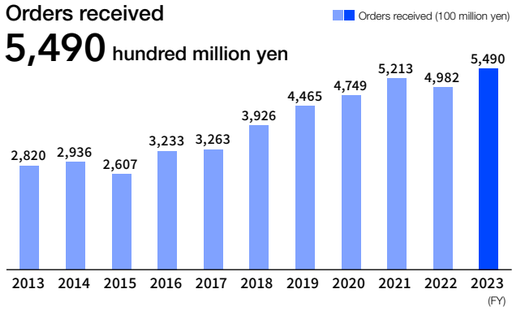
Highlights in 11-year Financial Management

To continue to be a company group recognized and trusted by society, we are committed to continuous growth and the improvement of the company value by accomplishing business structure reform.

* The latest information can be found at our website (https://ir.mirait-one.com/en/financial/general.html).

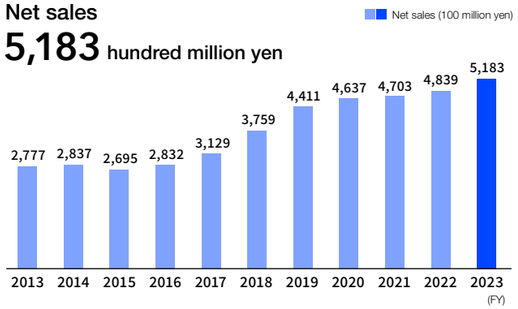
Orders received

5,490 hundred million yen



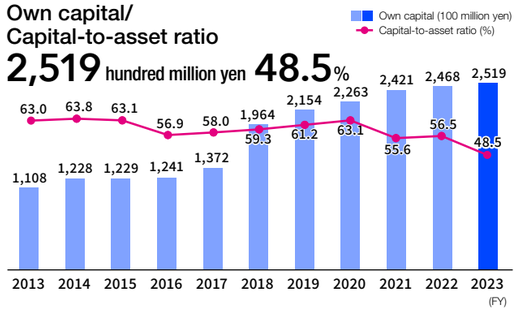
Net sales

5,183 hundred million yen



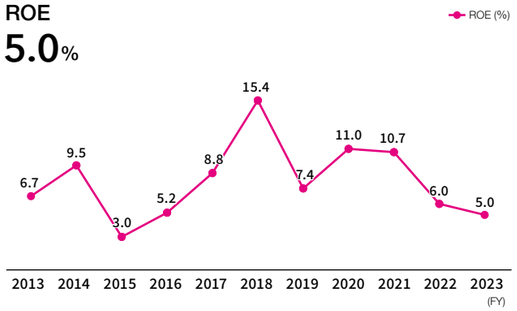
Own capital/ Capital-to-asset ratio

2,519 hundred million yen **48.5**%



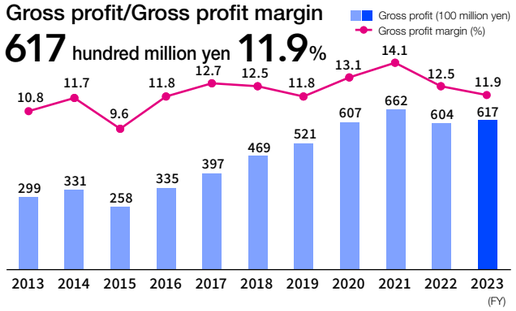
ROE

5.0%



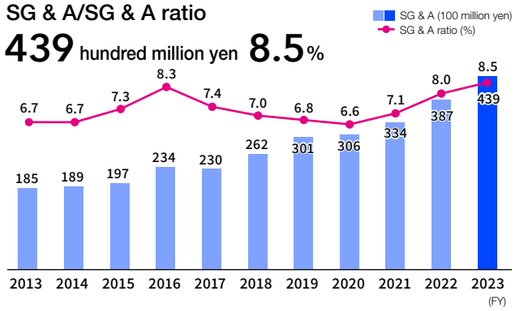
Gross profit/Gross profit margin

617 hundred million yen **11.9**%



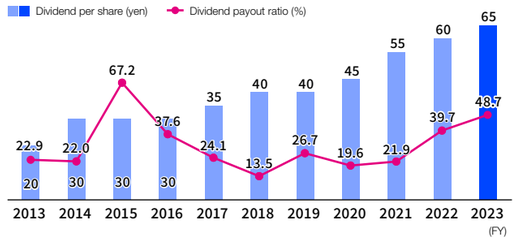
SG & A/SG & A ratio

439 hundred million yen **8.5**%



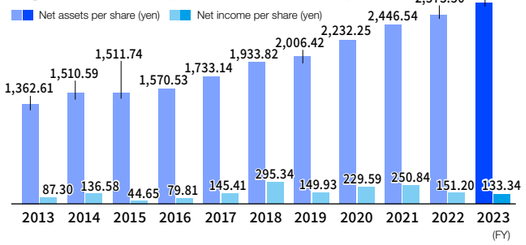
Dividend/Dividend payout ratio per share

65 yen **48.7**%



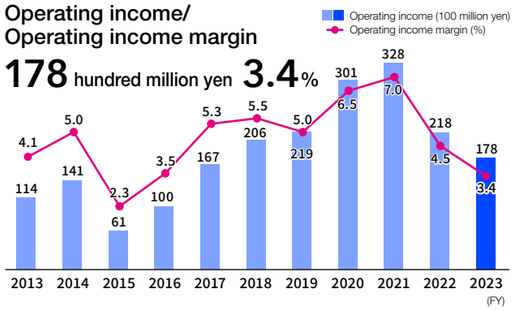
Net assets per share/Net income per share

2,735.90 yen **133.34** yen



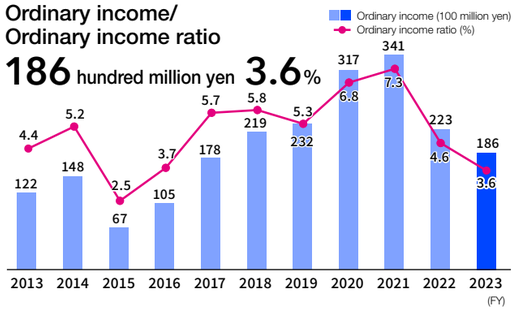
Operating income/ Operating income margin

178 hundred million yen **3.4**%



Ordinary income/ Ordinary income ratio

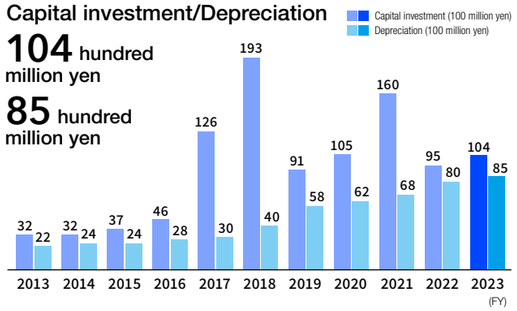
186 hundred million yen **3.6**%



Capital investment/Depreciation

104 hundred million yen

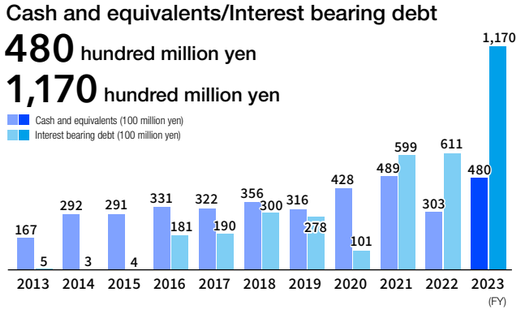
85 hundred million yen



Cash and equivalents/Interest bearing debt

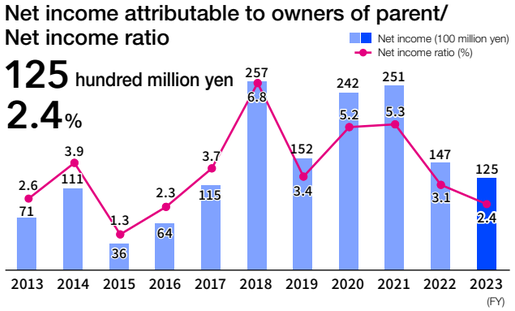
480 hundred million yen

1,170 hundred million yen



Net income attributable to owners of parent/ Net income ratio

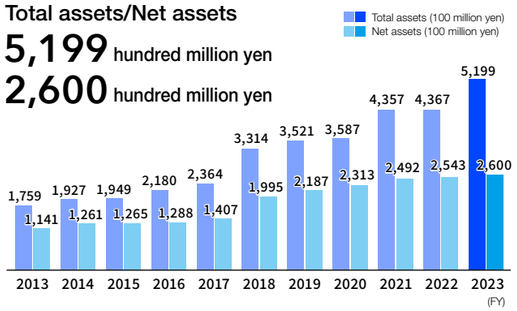
125 hundred million yen **2.4**%



Total assets/Net assets

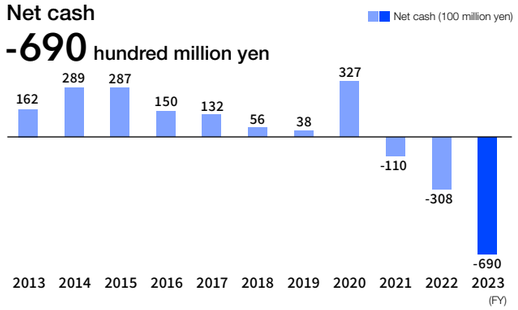
5,199 hundred million yen

2,600 hundred million yen



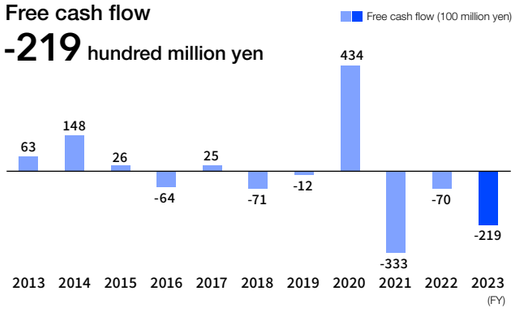
Net cash

-690 hundred million yen



Free cash flow

-219 hundred million yen



* Numbers for FY 2018 include the impact of extraordinary gains from business merger (negative goodwill and other factors amounting to 100 hundred million yen).

Highlights in 5-year Non-financial Management

We will continue to enhance the scope of the disclosure of non-financial data related to ESG, and be committed to the establishment of non-financial targets set forth in the medium-term management plan.

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Environment	CO_2 emissions	14,856 t-CO_2*2	Scope 1:66,890t-CO_2 Scope 2:22,841t-CO_2 Scope 3:2,471,130t-CO_2e	Scope 1:67,907t-CO_2 Scope 2:21,277t-CO_2 Scope 3:2,413,496t-CO_2e	Scope 1:65,166t-CO_2*6 Scope 2:19,754t-CO_2*6 Scope 3:2,222,900t-CO_2e*6	Scope1:63,013t-CO_2*7 Scope2:14,254t-CO_2*7 Scope3:1,761,230t-CO_2*7
	Total annual amount of green energy generated by the Company (solar)	132,000 kwh*1	137,000 kwh*1	285,000 kwh	324,000 kwh*6	311,000 kwh*6
	Power generation capacity of other companies' renewable energy generation facilities constructed by the Group (cumulative total)	14,510kw*2 (363,234kw*2)	35,463kw*2 (398,697kw*2)	21,946kw*2 (420,643kw*2)	19,377kw*5 (440,020kw*5)	31,391kw*5 (471,411kw*5)
	Industrial waste recycling ratio	—	—	96.4%*4	96.6%*6	97.72%*6
	Industrial waste final disposal ratio	—	—	3.6%*4	3.4%*6	2.28%*6
	Water resources used and total water discharged	40,000m^3*1	39,000m^3*1	39,000m^3*1	43,000m^3*5	47,000m^3*5
Ensuring Worker Safety	Occupational accident frequency rate	0.18*1	0.35*1	0.00*1	0.13*5	0.00*5
	Number of serious facility accidents	—	—	0	0*6	0*6
	Number of accidents resulting in injury or death	—	—	3	0*6	2*6
Promoting Health and Productivity Management	Number of work-related accidents (fatalities) among regular employees in the past 3 years	0*1	0*1	0*1	0*5	0*5
	Number of work-related accidents (fatalities) among contract employees in the past 3 years	0*1	0*1	0*1	0*5	0*5
	Stress check participation rate	—	98.4%	97.5%	96.8%*6	97.7%*7
	Percentage of highly stressed employees	—	9.9%	10.1%	11.5%*6	10.5%*7
Development of a Comfortable Working Environment	Average overtime hours	—	24.9 hours*1	22.9 hours*1	20.7 hours*5	20.1 hours*5
	Rate of annual paid leave	63.0%*1	60.7%*1	64.6%*1	72.1%*5	73.5%*5
	Average age	—	41.9 years old*1	42.1 years old*1	43.4 years old*6	44.3 years old*7
	Average age of women	—	36 years old*1	36.4 years old	37.2 years old*6	38.0 years old*7
	Average employment years	14.8 years*1	15.3 years*1	15.6 years*1	17.3 years*6	16.6 years*7
	Average employment years for women	11.8 years*1	11.2 years*1	11.5 years*1	12.3 years*6	10.8 years*7
	Percentage difference in average employment years for female to male employees	20.3%*1	26.8%*1	27.7%*1	31.2%*6	38.5%*7
	Turnover rate (past 3-year average for new graduates)	—	6.8%	5.4%	7.6%*6	8.5%*7
Talent development	% personnel with multiple qualifications	—	—	26.6%*2	25.6%*5	50.9%*5
	Number of courses offered in Mirai College	—	—	—	—	333 courses*6
	Total number of Mirai College users	—	—	—	—	Approx. 19,000 people*6
Helping local communities	Corporate citizenship spending	36 mil. yen*3	28.6 mil. yen*3	36.4 mil. yen*3	46.6 mil. yen*6	44.5 mil. yen*6
Thorough Compliance	Serious violations of laws and regulations (number of cases)	—	0*1	0*1	1*6	1*7
	Internal reports (number of cases)	—	62*1	90*1	145*6	167*7
Diversity	Total number of new recruits	75 persons*1	128 persons*1	95 persons*1	223 persons*6	264 persons*7
	Number of women recruits	17 persons*1	29 persons*1	13 persons*1	53 persons*6	67 persons*7
	Ratio of new women recruits	23.1%*1	23.2%*1	17.8%*1	23.8%*6	25.4%*7
	Total number of employees	2,716 persons*1	2,882 persons*1	2,925 persons*1	7,375 persons*6	8,950 persons*7
	Number of women employees	193 persons*1	255 persons*1	266 persons*1	790 persons*6	1,200 persons*7
	Ratio of women employees	7.1%*1	8.8%*1	9.1%*1	10.7%*6	13.4%*7
	Total number of managerial positions	902 persons*1	938 persons*1	972 persons*1	2,469 persons*6	2,890 persons*7
	Ratio of managers	—	30.9%	30.1%	33.5%*6	32.3%*7
	Number of women in managerial positions	26 persons*1	29 persons*1	30 persons*1	79 persons*6	132 persons*7
	Ratio of women in managerial positions	2.9%*1	3.1%*1	3.1%*1	3.2%*6	4.6%*7
	Total number of directors (executives)	15 persons*1	13 persons*1	12 persons*1	19 persons*5	13 persons*5
	Women directors (executives)	1 person*1	0 person*1	0 person*1	3 person*5	3 person*5
	Ratio of women directors	6.7%*1	0%*1	0%*1	15.8%*5	23.1%*5
	Differential wage ratios between men and women in the workforce	—	—	—	72.4%*5	72.4%*5
	Rate of parental leave taken by male employees	—	—	80.2%	65%*6	92.7%*7
	Rate of parental leave taken by female employees	100%*1	100%	100%	100%*6	100%*7
	Number of employees who worked shorter hours for childcare	—	48 persons	49 persons	55 persons*6	62 persons*7
	Number of employees who took sick child leave	—	41 persons	43 persons	70 persons*6	106 persons*7
	Non-regular employees (contract employees, dispatch employees)	—	1,783 persons	1,580 persons	1,431 persons*6	2,170 persons*7
	No. of mid-career employees hired (incl. those with significant experience)	—	134 persons	132 persons	131 persons*6	230 persons*7
	Rate of Reemployment After Retirement	—	—	75.6%	88.9%*6	79.5%*7
	Disabled persons employment rate	—	2.15%	2.19%	2.14%*6	2.40%*7

[About the Numerical Data]

Number of employees working shorter hours for childcare (as of April 1, 2024) and employment rate of persons with disabilities (as of June 1, 2024). All except for the left are numbers as of March 31, 2024.
Not indicated: The value is the total for former MIRAIT Holdings Corporation, former MIRAIT Corporation, former MIRAIT Technologies Corporation, TTK Co., Ltd., SOLCOM Co., Ltd., and Shikokutsuken Co., Ltd.-the six companies
*1 Non-consolidated (former MIRAIT Corporation only)
*2 Total for former MIRAIT Corporation and former MIRAIT Technologies Corporation-the two companies
*3 Total for former MIRAIT Holdings Corporation, former MIRAIT Corporation and former MIRAIT Technologies Corporation-the three companies
*4 Former MIRAIT Corporation, former MIRAIT Technologies Corporation, TTK Co., Ltd., SOLCOM Co., Ltd., and Shikokutsuken Co., Ltd.-the five companies
*5 Non-consolidated (MIRAIT ONE Corporation only)
*6 MIRAIT ONE Corporation, TTK Co., Ltd., SOLCOM Co., Ltd., Shikokutsuken Co., Ltd., SEIBU CONSTRUCTION CO.,LTD., and MIRAIT ONE SYSTEMS Corporation-the six companies
*7 MIRAIT ONE Corporation, TTK Co., Ltd., SOLCOM Co., Ltd., Shikokutsuken Co., Ltd., SEIBU CONSTRUCTION CO.,LTD., MIRAIT ONE SYSTEMS Corporation and Kokusai Kogyo Co., Ltd.-the seven companies

Company Information/Stock Information

Overview of MIRAIT ONE Corporation (As of March 31, 2024)

Date of establishment	October 1, 2010
Head office	5-6-36 Toyosu, Koto-ku, Tokyo, Japan
Representative	NAKAYAMA Toshiki, Representative Director, President and CEO
Capital	7.0 billion yen
Ratings	Rating and Investment Information, Inc. (R&I): A Credit Rating Agency, Ltd. (JCR): A+
End of fiscal year	March 31
Employees	3,622 (MIRAIT ONE Group 16,985)

Status of Shareholders (As of March 31, 2024)

The latest information can be found at our website (https://ir.mirait-one.com/en/stock/status.html).

Stock Listing	Tokyo Stock Exchange (Prime Market) (Security code: 1417)
Total authorized shares	330,000,000
Total outstanding shares	94,325,329 (treasury shares: 1,652,217)
Number of shareholders	30,706 (excluding treasury shares)

Major Shareholders (Top 10)

Name	Number of shares held (in hundreds)	Ownership (%)
The Master Trust Bank of Japan, Ltd. (trust account)	145,667	15.72
Custody Bank of Japan, Ltd. (trust account)	70,204	7.58
Sumitomo Electric Industries, Ltd.	36,687	3.96
Employee Stock Ownership Plan of MIRAIT ONE	21,195	2.29
Sumitomo Densetsu Co., Ltd.	19,910	2.15
STATE STREET BANK AND TRUST COMPANY 505001	19,856	2.14
Mizuho Bank, Ltd.	13,005	1.40
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	12,640	1.36
STATE STREET BANK WEST CLIENT - TREATY 505234	12,279	1.32
JP MORGAN CHASE BANK 385781	11,679	1.26

*1 The ratio of shares held is calculated after subtracting the treasury shares (1,652,217).
*2 The number of shares held shown is rounded down to the nearest 100 shares and the ownership is calculated by rounding off to two decimal places.

Share Distribution By Owner Type (Excluding treasury shares)

Number of shares by owner type	(shares)	Ratio (%)
Financial institutions	33,349,228	36.0
Financial instruments business operators	1,677,370	1.8
Other corporations in Japan	10,047,503	10.8
Foreign corporations, etc.	23,274,834	25.1
Individuals/other	24,324,177	26.3
Total	92,673,112	100.0

Number of shares by owner type	Number of shareholders	Ratio (%)
Financial institutions	50	0.2
Financial instruments business operators	35	0.1
Other corporations in Japan	345	1.1
Foreign corporations, etc.	257	0.8
Individuals/other	30,019	97.8
Total	30,706	100.0



MIRAIT ONE Corporation

Public Relations Department, Corporate Strategy Division
5-6-36, Toyosu, Koto-ku, Tokyo 135-8111, Japan
TEL. +81-3-6807-3120
FAX. +81-3-5546-2967
https://www.mirait-one.com/english/