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MIRAIT ONE

Last Update: December 19, 2024

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Exchange Code: 1417
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Corporate Governance Report

The status of Company's corporate governance is as follows.

I. Basic Approach to Corporate Governance

1. Basic Approach

The Company recognizes the importance of management as a company with social responsibilities, implements organizational structures and mechanisms for ensuring transparency and fairness in decision making, and positions the creation of relationships of trust with all stakeholders including shareholders to be one of the most important issues in management. For this reason, the Company aims to enhance corporate value and achieve sustained growth through the implementation and constant improvement of the following Corporate Governance Code.

[Reason for not Implementing the Principles of the Corporate Governance Code]

The Company has implemented all the principles of the Corporate Governance Code revised in June 2021.

[Disclosure Based on the Principles of the Corporate Governance Code] Updated

◆ Establishing an environment for electronic exercise of voting rights [Supplementary Principle 1-2-4]

The Company has been adopting the electronic voting platform for institutional investors operated by ICJ, Inc. since the 1st Ordinary General Meeting of Shareholders held on June 28, 2011.

The Company is in the process translating the convocation notice into English, and is enhancing efforts to facilitate the exercise of voting rights by overseas investors.

◆ Strategic shareholdings (Principle 1-4)

1. Standard of and Approach to Classification of Shares for Investment

If the purpose of investment is:
(1) maintaining or strengthening business relationships with the Company in which shares are held;
(2) maintaining or strengthening cooperative relationships for the promotion of alliance operations; or
(3) coordination for efficient construction work, etc.,
the Group classifies such investments as strategic shareholdings. Investments made for other purposes are classified as pure investments.

2. Method of examining the policy on cross-shareholdings and the rationality of shareholdings, and details of examination on whether the holding of specific shares is appropriate by the Board of Directors, etc.

(1) Policy on holding shares

The Group holds shares when it is thought that holding the shares of a business partner will lead to the improvement of the Group’s corporate value or the interests of shareholders. The Company checks the objectives of shareholding and the state of trading, and gradually reduces shares for which the meaning of shareholding is found to have diminished through quantitative and qualitative verification, by their sale, etc.

(2) Method of examining the rationality of shareholdings

The Group performs quantitative and qualitative examination of the medium- to long-term economic rationality and future outlook of strategic shareholdings based on factors such as the risks and returns.

(3) Details of examination on whether the holding of specific shares is appropriate by the Board of Directors, etc.

The strategic shareholdings held by the Group are subject to investigation of the purpose of holding the shares and the status of transactions. Once every year, the Board of Directors performs quantitative and qualitative examination of each issue regarding whether the risks and returns are commensurate with the capital cost, the purpose of holding the shares and future business trends, etc. to determine whether holding the shares is appropriate.

Shares which are thought to have "little meaning to be held" as a result of a review are sold as needed while considering factors such as the share price. Furthermore, the strategic shareholdings of the Group as a whole and the condition of the reduction thereof are managed through annual reviews.

In FY2023, 6 stocks were sold in accordance with the above policy.

3. When exercising voting rights for shares it holds, the Company checks each proposal and makes comprehensive decisions based on whether they contribute to the enhancement of the Group's medium- to long-term corporate value through dialogue with the company (department) in control of transactions with the business partner and verification of the Corporate Strategy Department.

◆ Responses to intentions to sell cross-shareholdings (Supplementary Principle 1-4-1)

When a company that holds the Company's shares indicates that it intends to sell its shares, the Company does not hinder the sale.

◆ Transactions with cross-shareholders (Supplementary Principle 1-4-2)

The Company does not engage in transactions with cross-shareholders which are not economically rational.

◆ Related party transactions (Principle 1-7)

The Company requires that competing transactions and transactions in conflict of interest by directors are deliberated and resolved by the Board of Directors, and reports on the status of transactions are periodically made to the Board of Directors.

Board members are required to submit a "Confirmation of Related Parties" to ascertain whether there are any transactions with related parties such as the board members themselves, their close relatives, organizations they represent and organizations in which they hold a majority of voting rights.

The Board of Directors receives reports on transactions with major shareholders periodically and as required, and provides supervision to ensure the common interests of shareholders are not harmed.

◆ Ensuring internal diversity including promotion of activities of women [Supplementary Principle 2-4-1]

In order for the Company to fulfill the social responsibilities as a company and attain sustainable growth and development, the Company considers that it is important to recruit diverse human resources, including mid-carriers with various work histories, regardless of gender or nationality. In order to utilize diverse perspectives and senses of value in corporate management, the Company has set up a specialized organization to promote diversity and inclusion, and is boosting efforts such as establishing a work environment to maximize the characteristics and abilities of each worker and training of the management staff.

In particular, the Company recognizes that promoting activities of women is indispensable. Thus, it has set such goals as increasing the ratio of female new graduates to all new hires by 25% and the number of female managers by 20% (compared to July 2022), and an action plan to promote the promotion to management. The ratio of female new graduates joining the company in April 2024 was 27.1%, the number of female managers as of the end of March 2024 was 12.5% higher than when the target was set, and the company will continue to make efforts to promote the advancement of women. In addition, for flexible work styles, the Company strives to offer an institutional support such as a telecommuting system and a childcare leave system that meet higher requirements than the legal requirements. The Company also makes efforts to expand the range of occupations in which diverse human resources can be successful.

At our overseas bases, mainly in the Asia-Pacific region, the Company is committed to developing human resources so that each and every employee can fully demonstrate his or her abilities, such as through mutual support by dispatching personnel between bases to improve the overall technical capabilities of local human resources.

Furthermore, the Company is actively expanding the use of external human resources, and as of March 2024, the percentage of mid-career hires in managerial positions was less than 30%, and the Company aims to achieve the

same level of diversity and inclusion in the future.
In December 2022, the Company formulated the "Diversity & Inclusion Declaration" to further develop these efforts toward diversity and inclusion. The Company will continue to promote diversity and inclusion in order to realize our mission " Creating an attractive corporate culture with a diverse and dynamic workforce.", which clearly states the Group's Mission statement to each stakeholder.

◆ Exhibiting functions as a corporate pension asset owner (Principle 2-6)
For the corporate pension, the Company has consolidated, since October 2020, the defined benefit corporate pension plan of each of MIRAIT ONE Corporation, SOLCOM Co., Ltd. and Shikokutsuken Co., Ltd. into an association defined benefit corporate pension plan called “MIRAIT ONE Group Defined Benefit Corporate Pension Plan” , and has been operating the MIRAIT ONE Group DB, in order to integrally manage toward reinforced governance.
(Note) TTK Co., Ltd., MIRAIT ONE SYSTEMS Corporation and Kokusai Kogyo Co., Ltd. has implemented a defined contribution corporate pension plan, and does not have a defined benefit corporate pension plan.
With regard to its operation, a governance system has been established by establishing the Pension Committee made up of the members such as officers in charge of personnel affairs and finance at the Company in addition to the officers or general managers in charge of personnel and general affairs and finance in operating companies and employee representatives. The Pension Committee conducts asset and liability management (ALM), has established the appropriate composition of strategic assets in the “Basic Policy on Management of Pension Assets” based on basic approach of long-term investment with acceptable risk, and conducts monitoring of the state of management each quarter while obtaining information as appropriate from the master trustee company as an external expert to ensure appropriate management of pension assets.
Furthermore, appropriate personnel have been assigned in the Company to serve as the personnel responsible for pensions, and efforts are being made to develop personnel by providing opportunities to learn and appropriately update specialized knowledge by dispatching them to external seminars on corporate pensions and through workshops conducted by external experts.
Note that SEIBU CONSTRUCTION CO.,LTD. also operates a defined benefit corporate pension plan. The Pension Committee of SEIBU CONSTRUCTION CO.,LTD. checks the operating status of the defined benefit corporate pension plan so as to carry out its proper operation.

◆ Company objectives, business strategies and business plans (Principle 3-1-1)
In the management integration in July 2022, the Group redefined its Purpose (meaning of existence) and Mission (public mission) as follows.

[Purpose]
・Co-creating an exciting future through challenges and technology.

[Mission]
・Meeting customer expectations and contributing to realize a prosperous society.
・Constantly refining our technology and business model to add more value.
・Building and maintaining future social infrastructure with our partners.
・Creating an attractive corporate culture with a diverse and dynamic workforce.
・Continuing to be a trusted company through improved sustainability and strict compliance.

[Management plan]
Under the newly redefined Purpose and Mission, the Group aims to evolve into a corporate group contributing more than ever to solving of various social problems in wide social infrastructure areas. In order to remain a reliable corporate group that keeps “creating and supporting” future social infrastructures, the Group has formed ‘MIRAIT ONE Group Vision 2030” and the Fifth Medium-term Management Plan of five years starting with fiscal 2022 as a business vision toward 2030.

[MIRAIT ONE Group Vision 2030 and New Medium-term Management Plan]
1. Management Strategy in the MIRAIT ONE Group Vision 2030
The MIRAIT ONE Group Vision 2030 is centered on five changes as a new growth strategy based on the key word that we will change and the future will change.

◇Change 1: People-centric management
- MIRAI College: “Driving force of business structure reform” providing learning and connection
- “Health management” creating a friendly working environment and protecting the physical and mental health of employees
- MIRAIT ONE work style reforms

◇Change 2: Acceleration of business growth
- Strategically addressing business growth through human capital growth and organically combining and mobilizing the Group's resources in the growth area of "MIRAI Domain" (promotion of business structure reform to a full-value model)
  ■Urban and regional development business, and acceleration of corporate DX and promotion of green operations
  ■Expansion of Green Energy business
  ■Strengthening of SI business contributing to customers’ DX
  ■Strengthening of global business promoting overseas data center related business and infrastructure sharing
- Strengthening of customer base of existing business (responding to expansion of customers and growth of customers)

◇Change 3: Top-class profitability
- Strengthening of management foundation through concentration and improvement of efficiency by integrating the three companies
- Fundamental review and streamlining of business operations through the use of data insights and generative AI, etc.
- Review of existing operations and costs through promotion of group coordination

◇Change 4: Management based on data insights
- Establishment of knowledge-based data environment and optimization of sales approach (aggressive DX)
- Value chain reform, smart construction, utilization of BPO/RPA/robotics (defensive DX)
- Development of experts and core personnel, improvement of companywide literacy (development of DX personnel)

◇Change 5: Strong foundation for ESG management
- Initiatives aimed at the achievement of greenhouse gas reduction targets (science-based targets)
- Creation of social value through the MIRAIT ONE Partner Association
- Enhancement of audit system and strengthening of audit functions through third line of defense
- Strengthening of corporate governance through new Group management system

2. Medium-term Management Plan

The Group has adopted, as objective indicators used to determine the attainment status of management goals called Key Performance Indicators (hereinafter referred to as KPIs) of the Fifth Medium-term Management Plan, Sales, Ratio of MIRAI Domains (*), Operating Income Margin, ROE (Return on Equity) and EPS (Earnings per Share), and specified, as goals in fiscal 2026, a Sales of at least 720 billion yen, a Ratio of MIRAI Domains of at least 40%, an Operating Income (Rate) of at least 7.5%, an ROE of at least 10%, and an EPS-CAGR of at least 10%.

(*) Ratio of sales of MIRAI Domains (areas aiming at business growth) in Total Sales

The reason these KPIs have been adopted is because of the recognition that they are important indicators for all stakeholders including shareholders to understand the Group’s management policies and management strategies, in addition to enabling the evaluation of their progress and feasibility.

Operating income, ROE and a non-financial target of “greenhouse gas emissions” have also been adopted as indicators for the calculation of points granted in the Board Benefit Trust performance-linked stock compensation scheme it has implemented to raise awareness of the contributions to performance of Group companies and enhancement of corporate value.

(Note) These figures for these KPIS are based on reasonable judgments according to circumstances, etc. that can be forecast as of the date of the submission of this report (June 26, 2024)., and do not constitute a guarantee of their achievement.

◆ Basic views and guidelines on corporate governance (Principle 3-1-2)

The Company recognizes that the realization of effective corporate governance is essential for the creation of relationships of trust with stakeholders. To this end, the Company will increase the effectiveness of corporate governance by:

1. Ensuring the rights and equality, etc. of shareholders;
2. Appropriately collaborating with stakeholders other than shareholders;
3. Ensuring appropriate disclosure and transparency;
4. Performance of responsibilities of the Board of Directors, etc.; and
5. Dialogue with shareholders.

Furthermore, MIRAIT ONE Group: Charter on Safety and Compliance has been established as the basic policy of corporate ethics and a specific code of conduct, and is announced on the Company's website (https://www.mirait-one.com/english/info/000213.html)

◆ Board policies and procedures in determining the remuneration of the senior management and directors (Principle 3-1-3)

These are stated in “II. Status of Corporate Management Organizations and Other Corporate Governance Systems Related to Management Decisions, Execution and Supervision 1. Matters Pertaining to Organization Composition and Organization Management, etc. [Directors' Remuneration]”.

◆ Policies and procedures in the appointment of directors, and explanations of nominations (Principles 3-1-4 and 3-1-5)

In nominating candidates for directors, the Company selects a wide range of candidates from within and outside the Company in accordance with the Company's standards for the appointment and dismissal of directors, consults the Nomination and Compensation Committee chaired by an independent outside director, and the Board of Directors determines which candidates possess outstanding character and insight and high management ability based on the committee's report.

In particular, independent outside directors are nominated based on their ability to fulfill their roles and responsibilities from an expert and objective perspective, such as having abundant experience and knowledge in their respective fields, and providing advice and supervision from the perspective of medium- to long-term enhancement of corporate value. Moreover, independent directors who are Audit and Supervisory Committee members are nominated based on their ability to increase transparency of the Board of Directors and enhance corporate value by appropriately monitoring the state of compliance with laws, regulations and the Articles of Incorporation regarding management decisions and execution of operations by directors with abundant experience and knowledge in their respective fields.

The reasons for the election of the individual directors and the number of attendance times are described below in the “Notice of the General Meeting of Shareholders.”

（Notice of the General Meeting of Shareholders ： https://ir.mirait-one.com/en/ ）

◆ Promotion of disclosure in English [Supplementary Principle 3-1-2]

The Company has translated into English: the financial statements, annual securities report, convocation notices (abstract translations), integrated reports, corporate governance reports, IR materials, video distribution of financial results briefings, timely disclosure materials and the like. The Company strives to provide important information in English to overseas institutional investors and shareholders in a timely manner.

The Company strives to provide a wider range of information disclosure of materials translated into English, by utilizing TDnet and the Company’s website (https://ir.mirait-one.com/en/). Additionally, the Company carries out overseas IRs in North America, Europe, and Asia more than once a year.

◆ Enhancement of sustainability information disclosure [Supplementary Principle 3-1-3]

1.Sustainability Initiatives

The MIRAIT ONE Group has been building communication and electrical infrastructure foundations such as fixed and mobile facility construction and maintenance, EV station construction, and renewable energy business, by taking advantage of on-site and technical forces that the Company has cultivated so far.

The Company strives to solve customer, social, and environmental issues through the operations of the Group. The Group has established the “ESG Management Promotion Committee” with an aim to improve the corporate value toward contribution to SDGs and sustainable growth and has been formulating strategies and solving

challenges related to ESG management in general. Full discussion has been made at the committee, in consideration of customer and employee questionnaires, opinions from stakeholders, important social issues extracted from international guidelines regarding social responsibilities, and so on. The materiality has been found after deliberation by the management meeting and the Board of Directors.

【Important societal issues to be addressed (Materiality)】

◇E：Creating and preserving an environmentally-friendly society
- ・Realize a carbon-free society through business activities
- ・Contribute to the creation of environmentally-friendly and resilient communities

◇S：Creating and preserving a safe, secure and prosperous society
- ・Improve safety and quality
- ・Create social values through partnerships and collaboration

◇S：Creating and preserving a society that respects and promotes the diversity of people and cultures
- ・Promote development of human resources, workstyle reform and health management
- ・Promote respect for human rights and D&I

◇G：Creating and preserving a fair and transparent corporate group
- ・Enhance corporate governance
- ・Thorough compliance
- ・Thorough risk management

In the MIRAIT ONE Group Vision 2030, Change 5 "Strong foundation for ESG management", the Company has set various non-financial targets and is promoting measures to achieve them.
The Group disclosed in May 2022, in support for the recommendations of TCFD in October 2021, the Governance, Risk Management, Strategy (Scenario), Goals, and Achievements based on our analysis on the risks and opportunities due to the effects of climate change on the business of the Group (refer to the Group's website: https://www.mirait-one.com/english/esg/environment/).
In addition, the Group worked to collect environment-related data throughout its supply chain and the 2030 greenhouse gas emissions reduction target was certified as SBT (Science Based Targets) in February 2023. (target values are those aligned with the decarbonization level necessary for keeping the global temperature rise within 1.5℃ as compared with before Industrial Revolution). The Group will continue to disclose proper non-financial indicators, take action toward decarbonization, and contribute to the entire community through our business, including solving general environmental problems.

2. Investment in human capital, etc.
The Group is a company that is based around working staff, and exists by virtue of daily work of employees and collaborators of the Company. Under the concept of "people-centered management" that promotes "safety management" to ensure the safety of employees and collaborators and "health management" to protect their mental and physical health, the Company has adopted the "MIRAIT ONE Style Smart Work Lifestyle Reform Declaration" and the "Diversity and Inclusion Declaration" and is promoting human resource development through the MIRAI College, an in-house university already in operation. In FY2023, the Company will accelerate its business growth strategy based on the "Smart Work Lifestyle Reform" by using the "MIRAI College" as a concrete and powerful engine to reform its strategic human resources development system and flexible personnel system, and will make "business growth through human resources growth" as a strategic objective.

Regarding human capital disclosure, the Company also formulated and disclosed the "MIRAIT ONE Style Value Creation Model" in the annual securities report (page 32～33) as a value creation story that links our management strategy and human capital growth strategy.
（Annual Securities Report ：https://ir.mirait-one.com/en/）
Specifically, the Company has divided its measures into four major categories: (1) creation of human resources for growth fields, (2) recruitment and development of competitive human resources, (3) activities of diverse human resources and a diverse and flexible work environment, and (4) promotion of health management. In addition, the

Company aims to realize MIRAIT ONE Group Vision 2030 and the Medium-Term Management Plan by setting "creation of 1,000 human resources in growth areas (by FY2026)" and "improvement of engagement" as representative indicators (KPIs) starting in FY2024.
Please visit the Company's website for the above specific efforts.
（https://www.mirait-one.com/english/esg/social/）

3. Investment in intellectual property, etc.
In conjunction with the launch of MIRAIT ONE on July 1, 2022, the Company took over the intellectual property rights that were individually held by the three former companies (MIRAIT Holdings Corporation, MIRAIT Corporation, and MIRAIT Technologies Corporation). As a result, the intellectual property rights that had been held individually by each company became jointly owned property without having to conclude a license agreement, thus making it possible to utilize them more quickly throughout the Company's business areas.
In addition, the Group will strive to create intellectual property that will become the core of its business in the fields of MIRAI Domain ("urban and regional development" / "Corporate DX and GX" businesses, "Green Energy business", "Software business", and "Global Energy business") in each of the MIRAI Domain fields defined in the MIRAIT ONE Group Vision 2030 as areas in which the Group is particularly targeting business growth.
Furthermore, the Group has established Group Management Rules based on the Group Management Regulations, which stipulate the Group's policy to "appropriately and effectively acquire and utilize intellectual property, which is an important asset for market competition, such as securing technological superiority and confidence in the MIRAIT ONE brand, as a group, and to effectively deal with intellectual property problems that can cause significant damage to the business.

◆ Overview of scope of the matters delegated to the management (Supplementary Principle 4-1-1)
The Company has established a Board of Directors as an organ for making decisions and supervising management, a Group Executive Committee as a system for executing business.
The Board of Directors makes decisions on group management policies and other important matters, in addition to matters specified by laws, regulations and the articles of incorporation, while also overseeing the execution of duties of directors by receiving periodic reports from directors on the status of the execution of their duties.
The Group Executive Committee are chaired by the president, and made up of others nominated by the president. In addition to playing a role as an organ for deliberating important matters concerning the management strategies and execution of business of the Company and group, it summarizes and discusses topics in advance to ensure active discussion in meetings of the Board of Directors. Directors who are full-time Audit and Supervisory Committee members also attend as observers to swiftly detecting and addressing issues and problems.

◆ Proactive engagement by the Chief Executive Officer, etc. in the establishment and implementation of the successor plan and planned development of successor candidates (Supplementary Principle 4-1-3)
The planning and development of successors to management executives such as the Chief Executive Officer, from the viewpoint of ensuring transparency, fairness, etc. of the Company's decision-making and enhancing more effective corporate governance, the Company formulated the "Successor Plan for Directors, etc. (including Representative Directors)" at the Board of Directors meeting held on April 26, 2024, which is appropriately carried out based on its management philosophy and management strategy.
The Nomination and Compensation Committee chaired by an independent outside director is consulted on the election of the Chief Executive Officer, and the Board of Directors passes a resolution on this based on the committee's responses.

◆ Establishing risk management system [Supplementary principle 4-3-4]
The Board of Directors Rules stipulates on internal audits that the Board of Directors resolves the annual business audit plan and the scope of internal control of J-SOX, and reports the results of business audits and the effectiveness evaluation of internal control.
Under the ESG Management Promotion Committee chaired by the President and CEO, the Compliance Committee and the Risk Management Committee chaired by the officer of the Company responsible for compliance are scheduled to be held twice a year. This means that a system is established that manages and shares the risks of the MIRAIT ONE Group including TTK Co., Ltd., SOLCOM Co., Ltd., Shikokutsuken Co., Ltd., Lantrovision (S) Ltd, SEIBU CONSTRUCTION CO.,LTD., MIRAIT ONE SYSTEMS Corporation and Kokusai Kogyo Co., Ltd.. that are subsidiaries of MIRAIT ONE Corporation (hereinafter referred to as "major Group companies"). The Company considers that the helpline plays an important role in nurturing a sound corporate culture and obtaining social trust as a company. Even at Major Group companies are striving to improve the

helpline to enhance the function to detect a fraud. Three contacts have been set up, that is, the "Compliance Suggestion Box" for consultations on compliance cases, the "Consultation Room" for accepting any consultation, and the external consultation desk carried out by lawyer’s offices, so as to allow a person asking for advice to make a choice in accordance with his/her wishes. The Company is operating to satisfy the purpose of the Whistleblower Protection Act, including reception of anonymous consultations and protection of consulters.

The Board of Directors is regularly held once a month in principle. Matters stipulated by laws and regulations or the Articles of Incorporation as well as important management issues are resolved and reported in accordance with relevant laws and regulations, the business decision rules, and the duty of care of a good manager.
The Company conducts risk management through a hybrid of real and remote meetings.
Assuming a situation that require urgent action, the Company has clarified the rules by maintaining the provisions of the Board of Directors Rules.

◆ Effective Use of Independent Outside Directors (Principle 4-8)

The Company has elected several independent outside directors since it was established in 2010 with the expectation that they will provide advice on promotion of sustained growth of the Company and enhance corporate value in the medium- to long-term, in addition to presenting opinions based on comments from stakeholders such as shareholders in meetings of the Board of Directors. There are five independent outside directors out of 13 directors in the Company as of the date of submission of this report (June 26, 2024). Opinions from those independent outside directors from an objective and independent position can be reflected in the corporate management.

The independent outside directors have a good rate of attendance to meetings of the Board of Directors, and they make active comments on management policies and management improvements in addition to supervising management based on their respective knowledge, adequately fulfilling the roles expected of them by the Company.

◆ Independence standards and qualifications of independent outside directors (Principle 4-9)

See “1. Matters Pertaining to Organization Composition and Organization Management, etc. [Independent Directors]” in “II. Status of Corporate Management Organizations and Other Corporate Governance Systems Related to Management Decisions, Execution and Supervision” for information on independence standards in the Company.

◆ Establishment and utilization of Nomination and Compensation Committee [Supplementary Principle 4-10-1]

Among 10 directors who are not Audit and Supervisory Committee members of the Company, three are independent outside directors (including two female), which members do not reach the majority of the board of directors, but the composition of the directors considers the knowledge, experience, abilities, diversity and skills of independent outside directors. Each independent outside director has a high level of expertise and experience, and the Company had secured a system for strengthening the supervisory function and advice, such as opinions based on their carriers, from the viewpoint of improving the medium-to-long-term corporate value.

The Nomination and Compensation Committee has been set up as an independent optional organization, chaired by an independent outside director and consisting of four members, that is, three independent outside directors and the president and CEO. The majority of the committee members are independent outside directors, so that the committee is fully independent.

The committee receives inquiries as to matters related to proposals of the general meeting of shareholders for the appointment and dismissal of directors, matters related to the executive compensation system, and the like. The committee deliberates on the appropriateness of the content and submits a report for discussions of the proposal at the Board of Directors, which resolves the above matters based on the report.

◆ Prerequisites for ensuring the effectiveness of the Board of Directors [Principle 4-11]

The Board of Directors is composed of 13 directors (10 males and three female) including five outside directors as of the date of submission of this report (June 26, 2024). (Please refer to Supplementary Principle 4-11-1 for the concept of the composition of the Board of Directors.)

The Company has appointed persons who have appropriate experience and ability and necessary knowledge of finance, accounting and legal affairs, as directors who are Audit and Supervisory Committee members. In particular, the Company has appointed two people who have sufficient knowledge of finance and accounting.

The Company evaluates the effectiveness of the Board of Directors every year to confirm its effectiveness is guaranteed so as to continuously improve the functions. (For details, please refer to Supplementary Principle 4-11-3)

◆ Composition of Board of Directors balancing diversity including gender and international experience, etc. with appropriate size (Supplementary Principle 4-11-1)

The Company gives consideration to a balance of personnel in the composition of the Board of Directors, and elects directors with abundant experience and excellent knowledge in their respective fields of management strategy, global strategy, finance and human resources as a holding company overseeing a variety of areas of business.

Furthermore, independent outside directors participate in the Board of Directors with outside perspectives of people with years of practical experience in corporate management, experts in business law and finance, and academic experts, ensuring transparency and leading to the enhancement of corporate value.

The Company has made the Board of Directors an effective and efficient framework by enabling sufficient functionality for a holding company and having certain officers concurrently serve on the boards of major group companies.

The Company has appointed four female officers: two directors who are not an Audit and Supervisory Committee member, one director who is an Audit and Supervisory Committee member, and one executive officer.

[Reference] Director Skill Matrix

The Board of Directors is made up of personnel with adequate knowledge and experience in their respective areas related to business management, regardless or whether inside or outside the Company, in order to effectively fulfill their roles and duties.
The expertise and experience required on the Board of Directors are as follows.

Directors Who Are Not Audit and Supervisory Committee Members	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 Audit and Supervisory Committee Members	SEO Shinji	Inside	○	○	○	○					○	
	KATSUMARU Chiaki (ISHIKAWA Chiaki)	Outside								○	○	○
	HAYAKAWA Osamu	Outside									○	○

* The above table does not represent all of the knowledge and experience of each of the persons listed.

◆ State of concurrent positions of outside directors and outside corporate auditors (Supplementary Principle 4-11-2)

The positions concurrently held by the Company's outside officers in listed companies are as follows.

- Outside director Mayumi Yamamoto also serves as outside corporate auditor of Morinaga Milk Industry Co., Ltd., and outside director of JCU Corporation which is listed on Prime Section of the Tokyo Stock Exchange.
- Outside corporate auditor Chiaki Katsumaru (Ishikawa) also serves as an outside corporate auditor of Anabuki Kosan Inc., which is listed on Standard Section of the Tokyo Stock Exchange.

◆ Disclosure of the results of analysis and evaluation of the effectiveness of the Board of Directors as a whole (Supplementary Principle 4-11-3)

The Company endeavors to conduct sound and efficient management by checking the execution of duties of directors in meetings of the Board of Directors, such as compliance with laws and regulations, risk management, sharing of information, and the speed of resolution of issues.

Furthermore, once per year, all directors have conducted self-evaluations concerning the effectiveness of the Board of Directors to improve the function of the Board of Directors as a whole, and to share a common awareness concerning the intended direction of the Company’s corporate governance.

Specifically, the self-evaluations were performed in the form of an anonymous survey enabling the hearing of unreserved opinions on the composition of the Board of Directors, the state of operation of the Board of Directors,

the responsibilities and functions of the Board of Directors and the state of the Board of Directors from the perspective of outside directors. The survey was collected by an external law firm with an obligation of confidentiality, and the collected survey content was analyzed by a third-party organization Based on the results of the analysis, the Company's Board of Directors obtained good results when it examined and evaluated the current state, and also continued to discuss the issues related to the Board of Directors.

In the survey, opinions were expressed on matters related to the composition of the Board of Directors and the selection and dismissal of directors, as well as the need to enhance constructive discussions on the medium- to long-term management direction and specific considerations on the delegation of important business operations. With regard to matters concerning the composition of the Board of Directors and the selection and dismissal of executives, the Company held a series of discussions on streamlining the Board of Directors structure, etc., at the Nomination and Compensation Committee and other forums, and implemented accordingly. In addition, regarding medium- to long-term group management strategies and delegation of important business operations, etc., discussions at the Board of Directors have been further deepened and examined through discussions at "deliberative forums" etc., which are forums for free exchange of opinions among Board of Directors members, and efforts will be made to continuously maintain and improve the effectiveness of the Board of Directors.

Outside directors are given opportunities to tour the offices of operating companies and construction sites as appropriate to provide a deeper understanding of the Company's business details and current condition.

◆ Collaboration between the Internal Audit Department and Directors/Audit and Supervisory Committee [Supplementary Principle 4-13-3]

See "2. Matters Pertaining to Functions of Business Execution, Audit and Supervision, Nomination, and Remuneration Determination (Outline of the Current Corporate Governance Systems) in "II. Status of Corporate Management Organizations and Other Corporate Governance Systems Related to Management Decisions, Execution and Supervision" for "<Audit status> 1. Status of audits by the Audit and Supervisory Committee" and "2. Internal audit status".

◆ Training Policy for Directors (Supplementary Principle 4-14-2)

The Company has been systematically organizing and conducting regular seminars for MIRAIT ONE Group directors and executives for multiple purposes including the followings: (1) to instill and enhance basic management skills appropriate for a prime market company, (2) to create opportunities to gain a broad understanding of market, technology, and market conditions, including global trends, (3) to align the vector (direction) of the directors and executives.

Furthermore, outside directors are given opportunities to tour the offices of operating companies and construction sites as appropriate to provide a deeper understanding of the Company's business details and current condition.

As part of the successor plan for executives including directors, the Company provides training for executive candidates to cultivate a management mindset at the "MIRAIT ONE Group Mirai Juku" and to allow them to gain management experience by being appointed to important posts such as president of group companies.

◆ Policy for constructive dialogue with shareholders (Principle 5-1)

1. Director responsible for overseeing dialogue with shareholders

The Company positions dialogue with shareholders and investors ("IR activities") as a means to ensure appropriate corporate valuation and trust, and contribute to sustained growth and medium- to long-term enhancement of corporate value, and continually implements such IR activities.

IR activities are supervised by the Director and General Manager of the Finance and Accounting Department. The Investor Relations Office, which is the responsible department, endeavors to provide timely and appropriate disclosure of information in accordance with the "Disclosure Policy" published elsewhere. Individual interviews with shareholders/investors are carried out by a person in charge where possible, but to the reasonable extent, directors including outside directors, and Audit and Supervisory Committee members, may attend the interviews in consideration of the interests of shareholders/investors, and so on.

Furthermore, in principle, the CEO directly provides explanations at the earnings briefings held twice each year and the overseas IR meetings held several times each year.

2. Cooperation between internal departments

The Company has created a "timely disclosure system" and is making an effort to provide timely and appropriate disclosure of important information through cooperation between departments to ensure IR activities are constructive and meaningful. In addition, the Public Relations Office also cooperates to actively disclose a wide range of information by utilizing the Company's website in addition to TDnet and EDINET. Meetings between the CEO, the Finance and Accounting Headquarters, the Corporate Strategy Headquarters and personnel

responsible for each business are conducted on numerous occasions to review the materials used in IR activities such as earnings briefings, in an effort to provide materials that are easy to understand and useful for shareholders and investors.

3. Feedback of shareholders' views and concerns

The Company holds two earnings briefings each year (for the 2nd and 4th quarters) for analysts and institutional investors. The means and content of the Company's dialogue with shareholders, feedback on opinions and concerns are posted on the Company's website [Dialogue with shareholders].

https://ir.mirait-one.com/en/dialogue/index.html

4. Measures to control insider information when engaging in dialogue

The Company has established "Rules on the Regulation of Insider Trading" and conducts appropriate management of information in accordance with these rules if insider information is possessed when meeting with shareholders and investors to prevent such information from being communicated. In addition, there is a four-week quiet period before the announcement of earnings (including quarterly earnings) to prevent information on earnings being leaked, and no comments on earnings or responses to inquiries are provided during this period. However, if it is found that a difference compared with the performance forecast arising during the quiet period is a fluctuation subject to timely disclosure rules, the information is disclosed appropriately.

◆ Establishing and disclosing business strategies and business plans (Principle 5-2)

[Action to implement management that is conscious of cost of capital and stock price]

The Company already bases all of its decisions and actions in the establishment of Mid-term Management Plans, judgements on strategic investment and evaluations of fiscal year-end financial results on understanding and consideration of the Company's capital cost, and will continue to endeavor to determine and verify management policies and strategies conscious of capital cost.

[Mid-term Management Plans]

https://www.mirait-one.com/english/corporate/management/

Also Action to implement management that is conscious of cost of capital and stock price are announced on the Company's website. (Updated November 22, 2024)

https://ir.mirait-one.com/en/realizing/index.html

◆ Clarification of the status of the business portfolio [Supplementary Principle 5-2-1]

The basic policy regarding the business portfolio and the status of the review of the business portfolio are listed on page 11 of [Action to implement management that is conscious of cost of capital and stock price], which are announced on the Company's website.

https://ir.mirait-one.com/en/realizing/index.html

2. Capital Structure

Percentage of Foreign Shareholders	20% to less than 30%

[Status of Major Shareholders] Updated

Name/ Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd (Trust Account)	12,581,500	13.80
Custody Bank of Japan, Ltd. (Trust Account)	6,317,700	6.93
Sumitomo Electric Industries, Ltd.	3,668,725	4.02
STATE STREET BANK AND TRUST COMPANY 505001	2,463,026	2.70
MIRAIT ONE Employee's Stock Option Plan	2,149,083	2.36
Sumitomo Densetsu Co, Ltd.	1,991,000	2.18
Mizuho Bank, Ltd.	1,300,508	1.43
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	1,214,000	1.33
JP MORGAN CHASE BANK 385781	1,189,764	1.31
STATE STREET BANK WEST CLIENT - TREATY 505234	1,156,300	1.27

Controlling Shareholder (Except for Parent Company)	—
Parent Company	None

Supplementary Explanation	Updated

- The status of major shareholders as of September 30, 2024 is shown below.
- The ratio of the number of shares owned is calculated by deducting 3,176,571 treasury stocks.

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange , Prime Section,
Fiscal Year End	March
Type of Business	Construction
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (Consolidated) as of the End of the Previous Fiscal Year	100 billion yen to less than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	50 to less than 100

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

—

5. Other Special Circumstances Which May Have a Material Impact on Corporate Governance

—

II. Status of Corporate Management Organizations and Other Corporate Governance Systems Related to Management Decisions, Execution and Supervision

1. Matters Pertaining to Organization Composition and Organization Management, etc.

Structure of Organization	Company with an Audit and Supervisory Committee

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	15
Term of Office Stipulated in Articles of Incorporation	1 Years
Chairperson of the Board	President
Number of Directors	13
Appointment of Outside Directors	Appointed
Number of Outside Directors	5
Number of Independent Directors	5

Outside Director’s Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
YAMAMOTO Mayumi	Lawyer											
KAWARATANI Shinichi	From other company											
TSUKASAKI Yuko	Scholar											
KATSUMARU Chiaki (ISHIKAWA Chiaki)	Certified public accountant											
HAYAKAWA Osamu	Others											

*Selection items regarding the relationship with the Company

*When the person corresponds to an item currently or recently, add an open circle (○); when he/she corresponded to the item previously, add an open triangle (△).

*When a close relative corresponds to an item currently or recently, add a solid circle (●); when he/she corresponded to the item previously, add a solid triangle (▲).

a Business executor of a listed company or its subsidiary

b Business executor or non-business executive director of the parent company of a listed company

c Business executor of a brother company of a listed company

d A person whose main business partner is a listed company or its business executor

e Major business partners of a listed company or its business executors

f Consultants, accounting professionals, or legal professionals who obtain a large amount of money or other assets from a listed company in addition to officer's renumeration

g Major shareholder of a listed company (when the major shareholder is a corporation, the business executor of the corporation)

h Business executor (the person only) of a listed company's business partner (those that do not fall under any of d, e, and f)

i Business executor (the person only) of a party with which there is a mutual appointment of outside directors

j Business executor (the person only) of a party to which a listed company makes a donation

k Other

Outside Director's Relationship with the Company (2)

Name	Audit and supervisory committee members	Independent Officer	Supplementary Explanation of Compliant Items	Reason for Election
YAMAMOTO Mayumi		○	―	She has advanced specialized knowledge and abundant experience concerning corporate legal affairs as an attorney at law, has served as a member of government councils such as the Central Labour Relations Commission, and she has been nominated for re-election as outside director to improve transparency of the Board of Directors and strengthen its supervisory functions because she is suitable for executing monitoring of the Company's management from an objective and specialized perspective. Furthermore, she is expected to have a role in risk management, etc. related to business from a legal perspective, and has appropriately fulfilled this role through actions such as actively providing advice from this perspective

				in meetings of the Board of Directors and the Nomination and Compensation Committee where she is a chair. She has been designated as an independent officer because she satisfies the independence standard specified by the Tokyo Stock Exchange and the Company's independence standard.
KAWARATANI Shinichi		○	—	He has been involved in business investment and the development of new businesses in the area of information and communications for many years, and has insight into the management of an information and communications company based on his experience as representative director and president of a company providing IT solutions. Furthermore, he has worked on the creation of a variety of new businesses in Japan and abroad as the CEO of his own venture capital company, and has extensive business experience overseas such as in the United States. His insight and knowledge of creating and developing new business in Japan and abroad, in addition to corporate management of a global business make him suitable for the supervision of management of the Group, and because he can be expected to fulfill this role, he has been nominated for re-election as outside director to improve transparency of the Board of Directors and strengthen its supervisory functions. He has been designated as an independent officer because he satisfies the independence standard specified by the Tokyo Stock Exchange and the Company's independence standard.

TSUKASAKI Yuko		○	—	She has long held key senior positions of the Ministry of Health, Labour and Welfare, and served as the director of the Promotion Division of the General Equality Bureau, Cabinet Office thus has high insight and rich experience related to promotion of women's advancement and diversity. After retirement, she lectured as a Taisho University professor thus boasting abundant experience and high insight and expertise in the fields of regional revitalization and public policy. Although she has never been involved in the management of the company,, she is considered appropriate as an outside director of the Company and is appointed as an outside director deserving its roles. This is because, at the Company that is involved in implementing/managing the infrastructure facilities of the industry and society, she can take advantage of insight in a wide variety of specialized fields obtained through policy making in the Government and knowledge of regional revitalization, and she is competent in the process of further enhancement of the management supervisory function in an attempt to promote ESG management. She has been designated as an independent officer because she satisfies the independence standard specified by the Tokyo Stock Exchange and the Company's independence standard.
KATSUMARU Chiaki (ISHIKAWA Chiaki)	○	○	—	She has served as a certified public accountant for many years, and has rich career and a high level of expert knowledge concerning corporate finance and accounting in major audit firms and accounting companies, and she has been nominated for re-election as outside corporate auditor because she is a suitable choice for supervising the execution of the duties of directors from a neutral and objective perspective. She has been designated as an independent officer because she satisfies the independence standard specified by the Tokyo Stock Exchange and the Company's independence standard.

HAYAKAWA Osamu	○	○		He possesses a high degree of insight, expertise, and extensive experience in police administration, etc. As an outside director and Audit and Supervisory Committee member, the Company has appointed him as an outside director and Audit and Supervisory Committee member because the Company believes that he will provide appropriate supervision and advice to further strengthen corporate governance, particularly compliance and risk management and that he is qualified and expected to play a role in ensuring transparency and fairness in the execution of the Company's operations and enhancing their effectiveness. He has been designated as an independent officer because he satisfies the independence standard specified by the Tokyo Stock Exchange and the Company's independence standard.

[Audit and Supervisory Committee]

Attributes of composition of committee members and chairperson

Name of Committee	Total members	Standing members	Inside directors	Outside director	Chairman
Audit and Supervisory Committee	3	1	1	2	Inside director

Directors or employees to support the duties of the Audit and Supervisory Committee are present or not	Present

Matters related to independence of the directors or employees from the business executive director

See "2. Matters Pertaining to Functions of Business Execution, Audit and Supervision, Nomination, and Remuneration Determination (Outline of the Current Corporate Governance Systems) in "II. Status of Corporate Management Organizations and Other Corporate Governance Systems Related to Management Decisions, Execution and Supervision" for "<Audit status> 1. Status of audits by the Audit and Supervisory Committee" and "2. Internal audit status".

State of coordination between Audit and Supervisory Committee, the accounting auditor and the internal audit unit

See “2. Matters Pertaining to Functions of Business Execution, Audit and Supervision, Nomination, and Remuneration Determination (Outline of the Current Corporate Governance Systems) in “II. Status of Corporate Management Organizations and Other Corporate Governance Systems Related to Management Decisions, Execution and Supervision” for “<Audit status> 1. Status of audits by the Audit and Supervisory Committee” and “2. Internal audit status”.

[Optional committee]

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Compensation Committee	Established

Status of establishment, composition and attributes of chairman of voluntary committees

Name of Committee	Total members	Standing members	Inside directors	Outside director	Outside experts	Other	Chairman
Nomination and Compensation Committee	4	1	1	3	3	0	Outside director

Supplementary explanation

In order to improve the objectivity and transparency of decisions on remuneration of directors, the Nomination and Compensation Committee was established in December 2018 as an advisory organ to the Board of Directors, and the Committee held 10 meetings in the current fiscal year (from the conclusion of the Ordinary General Meeting of Shareholders held in June 2023 until the Ordinary General Meeting of Shareholders held in June 2024).

The Nomination and Compensation Committee comprises four members including three independent outside directors and the President and CEO as of the date of filing this report (June 26, 2024).The Committee reports the results of deliberation on nomination of candidates for director and policy, etc. related to decisions on the method of calculation of officer remuneration to the Board of Directors, which makes decisions based on those reports.

[Independence standard]

Number of Independent Directors/Corporate auditors	5

Matters relating to Independent Directors/Corporate auditors

The Company believes outside directors must have sufficient independence to ensure the objectivity and transparency required for appropriate governance. The Company has established the following independence standard for outside directors of the Company, and deems that an outside director (including candidates; the same applies below) does not have sufficient independence for the Company if any of the followings applies.

1. Formerly worked in the Company or a consolidated subsidiary of the Company (“the Group”) *1
2. A major shareholder of the Company *2
3. An executive of any of the following companies, etc.
   (1) Major trading partner of the Group *3
   (2) Major lender to the Group *4
   (3) Company in which the Group holds 10% or more of shares on the basis of voting rights, etc.
4. A certified public accountant who work for the auditing firm that is the Group's accounting auditor
5. An expert such as a consultant, accountant, tax accountant, attorney at law, judicial scrivener or patent attorney who has received a large sum*5 of money or other property from the Group.
6. A person who has received a large donation from the Group *6
7. An executive of a company that is in a relationship of mutually appointing outside officers *7
8. A person whose close relative*8 is any of those listed in items 1 through 7 above (limited to important personnel*9 except in the cases of items 4 and 5)
9. A person to who any of items 2 through 8 has applied in the past three years
10. Notwithstanding the provisions of the preceding items, a person for whom it is otherwise found there are special grounds for a conflict of interests with the Company

*1: Meaning a current executive director, executive officer or other similar person or employee (“executive”) or an

executive who has ever belonged to the Group.
*2: A major shareholder refers to a shareholder who holds 10% or more of shares on the basis of voting rights in his/her own name or in the name of another person at the end of the current business year. If a major shareholder is an organization such as a corporation or an association, this refers to an executive of said organization.
*3: A major trading partner refers to a customer or supplier of the Group for whom annual transactions account for more than 3% of the Company's consolidated net sales or the trading partner's consolidated net sales.
*4: A major lender refers to a financial institution from which the Group is borrowing, and for which the outstanding loans payable thereto exceed 2% of the Company's consolidated total assets or the financial institution's consolidated total assets and the end of the current business year.
*5: Large sum refers to the following amounts according to the expert's involvement in the services provided.
(1) If the expert provides services to the Group as an individual, a large sum is when the consideration received from the Group exceeds 10 million yen per year.
(2) If the organization to which the expert belongs provides services to the Group, a large sum is when the total amount of consideration received from the Group by the organization exceeds 2% of the organization's annual sales or total revenue. However, even if 2% is not exceeded, if the annual amount received by the organization as consideration for services provided in which the expert is directly involved exceeds 10 million yen, this amount shall be deemed to be a large sum.
*6: This refers to a person who receives annual donations from the Group exceeding 10 million yen. If the part receiving donations is an organization such as corporation or an association, this refers to a person who belongs to the organization and is directly involved in the research, education or other activity related to the donations.
*7: This refers to a relationship in which an executive of the Group is an outside officer of another company, and an executive of the other company is an outside officer of the Company.
*8: Close relative refers to a spouse or a relative of the second degree or less.
*9: Important personnel refers to directors and executive officers.

[Incentives]

Implementation status measures related to granting of an incentive to a director	Introduction of performance-linked renumeration system

Supplementary explanation

In accordance with the resolution of the 6th Ordinary General Meeting of Shareholders held on June 28, 2016, the “Board Benefit Trust” performance-linked stock-based remuneration system for the Group’s officers was implemented from September 30, 2016 with the objective of clarifying the connection between the remuneration of directors and the Company’s performance and share price, and raising awareness of contributions to the improvement of medium- to long-term performance and corporate value.

Through the system shares of the Company are acquired through a trust using funds contributed by the Company, and provided to directors upon retirement from their positions as officers in accordance with the Officer Stock Benefit Rules stipulated by the Boards of Directors.

The ratio of performance-linked remuneration and fixed remuneration is generally around 1:4.

The Company’s consolidated operating income was chosen for the indicator for performance-linked remuneration in FY2023 as an indicator that can easily be used to raise awareness of the performance of Group companies and contributions to the enhancement of corporate value, and the number of points calculated from the results of the Company’s consolidated operating income, ROE and GHG reduction goals based on base points granted according to the positions of officers were granted to officers in accordance for the Board Benefit Trust. with the Officer Stock Benefit Rules

The consolidated operating income target in the initial business plan for the current fiscal year was 26.0 billion yen. The actual result was 17.8 billion yen with ROE of 5.0%.

Starting from fiscal 2023, in order to upgrade the management's awareness toward ESG, the company has added the "GHG reduction goals" as a consolidated ESG indicator serving as a performance-linked renumeration, on top of the aforementioned "consolidated operating income" and "consolidate ROE".

Persons to whom a stock option is to be granted	

Supplementary explanation

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[Directors' Remuneration]

Disclosure status (of an individual director’s renumeration)	Individual renumeration is not disclosed

Supplementary explanation

Because there are no persons whose total amount of consolidated renumeration, etc. per officer exceeds 100 million yen, individual renumeration is not disclosed. Total amount of renumeration, etc. of all directors is disclosed in the securities report and business report.

Policy to determine the amount of renumeration or its calculation method is present or not	Present

Details of disclosure of the policy to determine the amount of renumeration or its calculation method

1. Basic policy

The total amount (limit) of directors’ remuneration (excluding directors who are Audit and Supervisory Committee members. The same shall apply hereinafter.) is specified in the general meeting of shareholders after being approved by the Board of Directors, and the remuneration of individual directors uses a remuneration system based on the roles and responsibilities of each position.

Furthermore, the policy on determination of the content of remuneration of individual directors is deliberated upon by the “Nomination and Compensation Committee” (chaired by an independent outside director) comprising three independent outside directors and the President and CEO as an advisory body to the Board of Directors to improve objectivity and transparency and the results are reported to the Board of Directors, which determines the policy based on the report.

Outside directors who provide supervisory functions are only paid monthly base remuneration considering their duties.

2. Policy on determination of the amount of individual remuneration for base remuneration (monetary remuneration) (including the policy on determination of the timing or conditions of granting remuneration, etc.)

The total amount (limit) of directors’ remuneration is specified in the general meeting of shareholders after provisions being approved by the Board of Directors, and the base remuneration of individual directors (excluding outside directors) is fixed monthly remuneration of which the amount is obtained by dividing the annual salary based on the roles and responsibilities of each position by 15.

The standard bonus is equal to three months of fixed monthly remuneration (the amount remaining after deducting 30% to be allocated to the Board Benefit Trust performance-linked stock compensation scheme (hereinafter referred to as "Board Benefit Trust") as described in section 3). The number of months of payment may vary based on comprehensive consideration of the Company's performance in the previous fiscal year and the outlook for performance in the current fiscal year, the payment of employee special allowances, and individual performance evaluation of each director. The standard bonus is determined by the President and CEO and paid once a year in the summer, subject to reporting to the Nomination and Compensation Committee.

The percentages of fixed remuneration and variable remuneration are generally around 80% (12/15) for the former and 20% (3/15) for the latter.

3. Policy on determination of the content of performance-linked remuneration and non-monetary remuneration, and the method of calculation of the amount or number thereof (including the policy on determination of the timing or conditions of granting remuneration, etc.)

With regard to performance-linked remuneration and non-monetary remuneration, “Board Benefit Trust” has been introduced in order to clarify the connection between the remuneration of officers and the Company’s performance and share price, and to raise awareness of contributions to the improvement of medium- to long-term performance and corporate value. Up to 150 million yen for the Company’s Directors is contributed to the trust as funds for the trust to acquire the shares required for each period of three fiscal years in advance, and the maximum number of shares granted per fiscal year is equivalent to 33,000 shares (resolution of the 12th Ordinary General Meeting of Shareholders held on June 14, 2022).

The Company’s consolidated operating profit, ROE, and ESG indicator achievement have been chosen as indicators for performance-linked remuneration that can easily be used to raise awareness of the contributions to performance of Group companies and enhancement of corporate value. And, in accordance with the “Officer Stock Benefit Rules,” the number of points granted is calculated by multiplying the base points set to allocate 30% of three months of monthly remuneration by the performance-linked coefficient based on the Company’s consolidated operating profit, ROE, and ESG indicator achievement and one share is granted for each point at the time of retirement.

4. Policy on determination of the percentages of the amount of monetary remuneration and the amount of performance-linked remuneration, etc. or the amount of non-monetary remuneration in relation to the amount of individual directors’ remuneration

Of the annual salary specified according to to the roles and responsibilities of each position of directors (excluding outside directors), the percentages of the amount of monetary remuneration and the amount of performance-linked remuneration, etc. are around 80% fixed remuneration and 20% variable remuneration, and 30% of the variable remuneration is allocated to the Board Benefit Trust , which is a form of non-monetary remuneration.

(Note) In consideration of insider trading regulations, etc., all directors (excluding outside directors) are required to contribute 10% or more of their monthly remuneration to the officers’ shareholding association in order to increase awareness as management and awareness of the common goal of enhancing shareholder value. Therefore, these percentages are effectively 72% fixed remuneration, 28% variable remuneration and 14% non-monetary remuneration (share-based remuneration).

5. Matters related to determination of the content of remuneration, etc. of individual directors

The Company entrusts Toshiki Nakayama, President and CEO, with the responsibility of making decisions on the individual remuneration of Directors, based on the resolution of the Board of Directors and within the total amount resolved at the general meeting of shareholders, on the premise that he will prepare a proposal for individual remuneration and report it to the Nomination and Compensation Committee.

The President and CEO, who is entrusted with the decision, prepares a proposal for individual remuneration in accordance with the decision-making policy regarding the details of remuneration, etc. for each individual director resolved at the Board of Directors meeting, and reports the proposal to the Nomination and Compensation Committee for decision.

[Support system for outside directors (outside corporate auditors)]

In holding the Board of Directors meeting, in order to contribute to the enhancement of deliberations on the agenda items of the Board of Directors, related departments will explain the necessary matters agenda items in advance to outside directors and outside corporate auditors.

[Status of persons who have retired from the position of President and Chief Executive Officer, etc.]

	Names of advisors, counselor, etc. who are former presidents and Chief Executive Officer, etc.

Name	Job title/Position	Business details	Work style/conditions (Full-time/Part-time, with or without remuneration, etc.)	Retirement date of the president, etc.	Term of office
SUZUKI Masatoshi	counselors	Performing commissioned business	Part-time with remuneration	June 14, 2020	Internal rules on upper limit of term are specified

Total number of advisors, counselors, etc. who each are a former president and Chief Executive Officer	1

Other matters

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2. Matters Pertaining to Functions of Business Execution, Audit and Supervision, Nomination, and Remuneration Determination (Outline of the Current Corporate Governance Systems) Updated

The Company is one with an Audit and Supervisory Committee and has a board of directors, an Audit and Supervisory Committee, and an accounting auditor.

As for directors, the Company has appointed independent outside directors.

As of the date of submission of this report (June 26, 2024), there are 13 directors, 5 of whom are outside directors.

In addition, a system has been established in which the Audit and Supervisory Committee, the Internal Audit Department, as well as the accounting auditor conduct independent audits and they cooperate with each other.

[Overview of Established Corporate Bodies]

1. Board of Directors
   Body to Resolution on legal matters related to management of the company, determine fundamental management policy and important matters concerning the execution of business, In addition to oversee the execution of duties of directors
   Representative : President and CEO NAKAYAMA Toshiki
   Members – Directors : SUGAHARA Hidemune, TOTAKE Yasushi, MIYAZAKI Tatsumi, TAKAYA Yoichiro, WAKIMOTO Hiroshi, MITSUYA Takaaki, YAMAMOTO Mayumi, KAWARATANI Shinichi, TSUKASAKI Yuko SEO Shinji, KATSUMARU Chiaki (ISHIKAWA Chiaki), HAYAKAWA Osamu

2. Nomination and Compensation Committee
   Body established as an advisory committee for the board of directors for the purpose of heightening the objectivity in matters related to the nomination and compensation of directors
   Chairman : Director (Outside) YAMAMOTO Mayumi
   Members – Directors : KAWARATANI Shinichi, TSUKASAKI Yuko, NAKAYAMA Toshiki

3. Audit and Supervisory Committee
   Reports on audits of directors' execution of duties, etc., and resolutions on important matters related to audits
   Chairman : (Full-time) SEO Shinji
   Members : KATSUMARU Chiaki (ISHIKAWA Chiaki), HAYAKAWA Osamu

4. Group Executive Committee
   Body to receive reports and deliberate on vital policies about important matters related to management policies (mainly concerning business)
   Representative : President and CEO
   Members – Business Company COO, Strategy Headquarters Manager of Business Company, President of Major Group Companies, Strategy Headquarters Manager of Major Group Companies, Frontier Business Headquarters COO, 1st Department Manager of Stuff Department, Directors who are Audit and Supervisory Committee members(Full-time)

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

5. ESG Management Promotion Committee
Formulate basic ESG policies and strategies for the entire Group, promote various measures, and report on matters delegated by subordinate subcommittees (Risk Management, Compliance, Human Rights/D&I)
Representative : President and CEO
Members – Business Company COO, President of Major Group Companies,
Frontier Business Headquarters COO, 1st Department Manager of Stuff Department,
Directors who are Audit and Supervisory Committee members(Full-time)

Under the ESG Management Promotion Committee chaired by the President and CEO, the Company has set up the Risk Management Executive Committee, the Compliance Executive Committee and the Human rights/D&I Committee chaired by the officer responsible for compliance. The Risk Management Executive Committee deliberates and determines the policy and system to conduct risk management effectively and efficiently. The Compliance Executive Committee reports and corrects such cases that can be problematic in terms of the Group's compliance, and examines measures to raise compliance awareness. The Human rights/D&I Committee will report on the risk situation related to human rights, discuss issues to be dealt with, and promote D & I.

[Other matters concerning corporate governance]
1. Outline of the details of the liability limitation contract
Based on Article 427, Paragraph 1 of the Companies Act, the Company has entered a contract that limits liability for damage between the Company and a director of the Company (excluding one who is an executive director, etc.). The maximum amount of liability for damage that is based on the contract is the minimum liability limit stipulated in Article 425, Paragraph 1 of the Companies Act. The limitation of liability is permitted only when the director or the corporate auditor is in good faith and without gross negligence in performing the duties that have caused the liability.

2. Number of directors
The Company stipulates in the Articles of Incorporation that the number of directors of the Company (including one who is an Audit and Supervisory Committee member) shall be 15 or less, and that the number of directors of the Company who are Audit and Supervisory Committee members shall be 5 or less.

3. Requirements for resolution to appoint directors
The Company stipulates in the Articles of Incorporation that the appointment of Directors shall be made by the resolution of the General Meeting of Shareholders, differentiating between Directors who are Audit and Supervisory Board Members and other Directors, that shall be made with attendance of shareholders accounting for at least one-third of the voting rights of shareholders entitled to exercise voting rights and shall require a majority of such votes cast in favor, and that the resolution shall never be via cumulative voting.

4. Matters to be resolved at the General Assembly of Shareholders that can be resolved by the Board of Directors
The Company stipulates in the Articles of Incorporation that the following matters can be resolved by the Board of Directors among the matters to be resolved at the general meeting of shareholders:
・Based on the provisions of Article 165, Paragraph 2 of the Companies Act, regarding the acquisition of treasury stock, it is possible to acquire treasury stock through market transactions, etc. by a resolution of the Board of Directors. This aims to enable agile capital policy implementation in response to changing economic conditions.
・For the purpose of increasing opportunities for profit distribution to shareholders, an interim dividend can be paid every year with September 30 as record date by a resolution of the Board of Directors pursuant to the provisions of Article 454, Paragraph 5 of the Companies Act.
・In accordance with the provisions of Article 426, Paragraph 1 of the Companies Act, the Company shall exempt compensation responsibilities of directors (including those who were directors) for damages due to neglect of duties to the extent of laws and regulations.
・The Company may determine matters specified in the items of Article 459, paragraph (1) of the Companies Act such as dividends of surplus by resolution of the Board of Directors.
・In accordance with the Act for Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts (Law No. 70 of 2021), the Board of Directors may hold the general meeting of shareholders at a

location not specified if the Board of Directors determines that it is not appropriate to hold the meeting at a specified location in light of the interests of shareholders due to the spread of infectious diseases or the occurrence of a natural disaster.

5. Special resolution requirements of general meetings of shareholders

Regarding the special resolution requirements of the general meeting of shareholders stipulated in Article 309, Paragraph 2 of the Companies Act, the Company stipulates in the Articles of Incorporation that a special resolution of the general meeting of shareholders can be made with attendance of shareholders accounting for at least one-third of the voting rights of the shareholders entitled to exercise voting rights, and with two-thirds of such votes cast in favor. This is intended to provide smooth operation of the general meeting of shareholders by relaxing the quorum of special resolutions at the general meeting of shareholders.

6. Transactions between related parties

Described in ◆Related party transactions [Principle 1-7] under "1. Basic Concept [Disclosure Based on the Principles of the Corporate Governance Code]" of "I. Basic Approach related to Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information".

[Audit status]

1. Status of audits by the Audit and Supervisory Committee

(1) Organization and personnel

In accordance with the resolution of the 12th Ordinary General Meeting of Shareholders held on June 14, 2022, the Company transitioned from a company with a Board of Corporate Auditors to a company with an Audit and Supervisory Committee on July 1, 2022.

The number of members of the Audit and Supervisory Committee has also decreased due to the resolution of the 14th Annual General Meeting of Shareholders held on June 25, 2024, which changed the maximum number of directors from 21 to 15 and reduced the number of directors to 13.

As of the date of submission of this report (June 26, 2024), The Audit and Supervisory Committee consists of three members, including two independent outside director- Audit and Supervisory Committee members, and one full-time Audit and Supervisory Committee members are selected to enhance the effectiveness of the monitoring and supervisory functions. Director and Audit and Supervisory Committee member KATSUMARU Chiaki (ISHIKAWA Chiaki) is a certified public accountant. The Audit and Supervisory Committee Office has been established to assist the Audit and Supervisory Committee in its duties.

By placing three full-time staff members belonging to the said Office under the direction and orders of the Audit and Supervisory Committee, the Company ensures the effectiveness of the Audit and Supervisory Committee's instructions and, as for any personnel evaluations and transfers, etc., enhances its independence from the executive divisions by seeking the opinions of full-time members of the Audit and Supervisory Committee and obtaining their consent in advance. Furthermore, in response to the aforementioned reduction in the number of Audit and Supervisory Committee members, one special counselor in charge of the Audit and Supervisory Committee Office has been assigned as a necessary measure to strengthen the support system for the Audit and Supervisory Committee.

For the six major domestic group companies, dedicated corporate auditors and Internal Audit Departments are assigned to conduct audits. For other domestic subsidiaries, 12 members of the Audit and Supervisory Committee Office of the Company are in charge of one to three companies each as corporate auditors. And corporate auditors concurrently serving in the other operational divisions of the Company such as Finance and Accounting Division or assigned exclusively to each company are assigned. In addition, the internal audit function is concentrated in the Audit Department, the Internal Audit Department of the Company, to strengthen group governance by having the Audit Department conduct internal audits of subsidiaries, excluding major group companies, while accumulating audit knowledge.

(2) Activities of the Audit and Supervisory Committee

In principle, the Audit and Supervisory Committee meets monthly and whenever necessary. During the fiscal year under review, the Committee met 14 times, and the average time required per meeting, excluding extraordinary meetings, was 1 hour and 36 minutes. The attendance of individual Outside corporate auditors is shown in the table in the annual securities report (page 82).

（Annual Securities Report ：https://ir.mirait-one.com/en/）

Specifically, the following resolutions, discussions, and reports were made.

Matters to be resolved (17 items) :	audit policy and plan of the Audit and Supervisory Committee, division of duties, audit report, opinion of the Audit and Supervisory Committee on the appointment of directors who are not Audit and Supervisory Committee members, reappointment of the accounting auditor, agreement on audit fees of the accounting auditor, policy on dismissal or non-reappointment of the accounting auditor, the Audit and Supervisory Committee's opinions on the proposed revision of the Board of Directors structure, the Audit and Supervisory Committee's opinions on the election/dismissal of directors and the successor plan for directors (including Representative Directors), etc.
Matters to be discussed (1 item) :	remuneration for Audit and Supervisory Committee members who are Directors
Matters to be reported (71 items) :	audit status of the Audit and Supervisory Committee members, exchange of opinions with the representative, hearings with directors, etc., audit plan and results by the accounting auditor, audit plan and results of internal audit, audit results of disclosure documents, inspection of authorized documents, reports from staff divisions, etc.

In particular, during the fiscal year under review, discussions and deliberations were held on the proposed revision of the Board of Directors structure, and necessary measures, such as enhancement of the support system for Audit Committee members, should be taken so as not to cause a decline in the level of monitoring and supervisory functions.

(3) Activities of Audit and Supervisory Committee Members

The Audit and Supervisory Committee examined risks and issues in the five areas of (1) directors, (2) business execution, (3) subsidiaries, (4) internal audits, and (5) accounting audits, and a summary of audit activities for each of these areas is shown in the table in the annual securities report (page 83～84).

The Company made suggestions and proposals to the directors and executive departments on matters recognized through these audit activities.

（Annual Securities Report ： https://ir.mirait-one.com/en/ ）

These audit activities are mainly carried out by the full-time Audit and Supervisory Committee members, and the details of these activities are reported and shared at the Audit and Supervisory Committee meetings. Outside Audit and Supervisory Committee members provide necessary opinions from the standpoint of independent officers at Audit and Supervisory Committee meetings based on their respective expertise and knowledge.

(4) Dual reporting line with the Internal Audit Department

The Audit and Supervisory Committee has established a dual reporting line with the Internal Audit Department, as described below, and works in organic collaboration with the Internal Audit Department, sharing the status of implementation of audits in line with actual practices conducted by the Internal Audit Department, such as issues in the workflow, including construction implementation, and issues in the application of regulations detected in audits conducted by the Internal Audit Department. Based on the above, the Audit and Supervisory Committee conducts audits focusing on the management's recognition of medium- and long-term issues, business prospects, risk recognition, and compliance issues, etc., through the aforementioned exchange of opinions with representative directors, hearings with directors, and other means.

2. Internal audit status

(1) Organization, personnel, and outline of activities

The Company established the Audit Department as a third-line organization independent from the first-line (current business divisions such as companies and branches) and second-line (administrative divisions such as staff organizations) of the three lines of defense by conducts the Internal audit. As of March 31, 2024, the Audit Department had 20 employees.

In accordance with the Internal Audit Regulations and the audit plan approved by the Board of Directors, the Audit Department conducts internal audits of each organization of MIRAIT ONE and its subsidiaries (excluding major group companies) from an independent and objective standpoint. Specifically, the Audit Department evaluates the compliance with laws, regulations, and internal rules, etc. related to construction-related business processes and execution of various operations as well as the effectiveness of the control procedures, and makes recommendations for improvement.

In addition, the Internal Audit Departments of major group companies conduct internal audits of each major group company and its subsidiaries, and the group's Internal Audit Departments share information and collaborate on audit policies and audit implementation status to strengthen group governance.

The Audit Department also conducts the evaluation of internal control over financial reporting (J-SOX) based on the Financial Instruments and Exchange Act.

(2) Dual reporting line to the Board of Directors and Audit and Supervisory Committee

The Audit Department conducts internal audits after receiving the Board of Directors' resolution on the internal audit plan. After the internal audit is conducted, the department submits a report on the results of the business audit to the organization conducting the audit, and reports the results to the Board of Directors on a quarterly basis.

In addition to the formulation of the audit plan and the reporting of the results of operational audits, the Audit Department has established a dual reporting line to the Board of Directors and the Audit and Supervisory Committee for J-SOX evaluations, as described below, and reports to the full-time Audit and Supervisory Committee members in a timely manner and performs its duties with their advice and coordination.

(A) Internal audit plan formulation phase

The internal audit plan of the Audit Department, which is a matter to be resolved by the Board of Directors, shall be reviewed with the full-time Audit and Supervisory Committee members in advance and necessary advice shall be received before the plan is submitted to the Board of Directors.

(B) J-SOX assessment scope selection phase

The selection of the scope of assessment for J-SOX, which is a matter to be resolved by the Board of Directors, shall be discussed with a full-time Audit and Supervisory Committee member and necessary advice shall be received before the plan is submitted to the Board of Directors.

(C) Internal audit result reporting phase

The reporting of internal audit results is a matter to be reported to the Board of Directors on a quarterly basis. Before reporting the results, the report shall be reviewed with the full-time Audit and Supervisory Committee members and necessary advice shall be received.

(D) Individual internal audit result reporting phase

Before submitting reports on audit results to the President and CEO and the head of the organization to be audited, the results of each organization's internal audits conducted in accordance with the internal audit plan are reported to the full-time Audit who are Supervisory Committee members, who receive advice and instructions regarding the matters pointed out and the organization with which the report is shared, and report them to the executive side and make recommendations for improvement, etc. based on such advice and instructions.

3. Accounting audit status

(1) Name of audit corporation

KPMG AZSA LLC

(2) Continuous audit period

10 years

(3) Certified accountant who executes the business

Designated limited liability partner, business execution partner, certified public accountant, ISASHI Ryoichi
Designated limited liability partner, business execution partner, certified public accountant, KOBAYASHI Keiji
Designated limited liability partner, business execution partner, certified public accountant, OTANI Fumitaka

(4) Composition of assistants involved in accounting audit work

Certified public accountant	12 people
Accountant exam passers, etc.	3 people
Other	23 people

(5) Policy and reason for selecting an audit corporation

At the Company, the Audit and Supervisory Committee examines the appropriateness, independence and quality control system, etc. of accounting auditors, and selects accounting auditors by comprehensively determining the audit achievements and the degree of understanding of the business.

When the accounting auditor falls under Article 340, Paragraph 1 of the Companies Act, the accounting auditor will be dismissed by the agreement of all the Audit and Supervisory Committee members at the Audit and

Supervisory Committee.

In addition to the above cases, if the Company determines that the Accounting Auditor is unsuitable to serve as an Accounting Auditor after comprehensively taking into consideration the audit quality, independence, expertise, etc. of the Accounting Auditor, it will determine the content of a proposal to be submitted to the General Meeting of Shareholders regarding the dismissal or non-reappointment of the Accounting Auditor. When the Audit and Supervisory Committee dismisses the accounting auditor, and the fact of dismissal and its reason will be reported at the first general meeting of shareholders convened after the dismissal by the Audit and Supervisory Committee member selected by the Audit and Supervisory Committee.

(6) Evaluation of audit corporations by Audit and Supervisory Committee

The Audit and Supervisory Committee has collected information on the appropriateness and independence of accounting auditors, as well as the audit system, and audit implementation status and audit quality, etc., and based on examination using the evaluation criteria established by the Audit and Supervisory Committee, has acknowledged the method and results of an accounting auditor described above and has determined that reappointment is appropriate.

3. Reasons for Selecting the Current Corporate Governance System

For the reasons stated below, by resolution of the 12th Ordinary General Meeting of Shareholders held on June 14, 2022, the Company has just transitioned from a company with a Board of Corporate Auditors to a company with an Audit and Supervisory Committee on July 1, 2022, aiming to further enhance corporate value by improving management soundness and transparency as well as prompt decision making.

(1) The "Audit and Supervisory Committee" composed of "directors who are Audit and Supervisory Committee members" having voting rights of the board of directors, is in charge of the audit of business execution by directors, strives to enhance the governance system and internal audit system that are based on the philosophy of three lines of defense, and strengthen the cooperation between the Audit and Supervisory Committee and the Internal Audit Department thus enhancing the corporate governance.

(2) The "directors who are Audit and Supervisory Committee members" are members, as directors, having voting rights of the board of directors. This brings thus enhancing for improved management supervision function on the management in general.

(3) The "directors who are Audit and Supervisory Committee members" are granted the right to express opinions concerning selection/dismissal and remuneration of directors in the General Meeting of Shareholders, in accordance with Article 342-2, Paragraph 4 and Article 361, Paragraph 6 of the Companies Act. This means that the supervisory function is more enhanced also in terms of the Companies Act compared with a company with a Board of Corporate Auditors.

(4) As per Article 399-13, Paragraph 6 of the Companies Act, Articles of Incorporation may specify that it is possible to delegate determination of important business execution to a director based on a resolution of the board of directors. Keeping firmly in mind the status of business operation and governance functioning of the new consolidated company after the merger of the three companies, flexible operation will be made available in accordance with a resolution of the board of directors.

III. Implementation Status of Measures Related to Shareholders and Other Stakeholders

1. Actions to Activate the General Meeting of Shareholders and Facilitate the Exercise of Voting Rights

	Supplementary explanation
Early sending notice of convocation of general meeting of shareholders	The notice of convocation of the 14th Ordinary General Meeting of Shareholders held on June 25, 2024 was sent on June 7, 2024(legally June 10th), 18 days before the date of the meeting. The same information was announced electronically on the Tokyo Stock Exchange site and the Company's website on May 31, 2024 (25 days before the date of the general meeting of shareholders, legally June 4th)before the convocation notice was sent. Additional information is disclosed as appropriate on the Company's website.
Setting of General Meeting of Shareholders to avoid conflicts with other shareholders' meetings	The 14th Ordinary General Meeting of Shareholders was held on June 25, 2024, avoiding June 27, 2024, as the first concentrated day.
Exercise of voting rights via electromagnetic method	Considering the convenience of shareholders, voting rights can be exercised via the Internet from a PC or smartphone.
Participation in the Electronic Voting Rights Platform and Other Efforts to Improve the Environment for Institutional Investors to Exercise Voting Rights	The first voting rights electronic exercise platform for institutional investors operated by ICJ Co., Ltd. has been continuously adopted since the first ordinary general meeting of shareholders that was held on June 28, 2011.
Provision of convocation notice (summary) in English	A convocation notice (summary) in English has been prepared and provided on the Tokyo Stock Exchange site and the Company's website (English site).
Other	The Company aims to operate the general meeting of shareholders that is easily understood by shareholders, for example, via colorization of the convocation notice and offering video-based business reports. Convocation notices, reference documents and reports are also posted on the Company's website. This year, as well as last year, the Company held the general meeting of shareholders in a reduced scale as a countermeasure against new coronavirus infections. A video of business report was posted in advance on the Company's website and broadcasted a live video of the general meeting of shareholders on that day so as to help shareholders who were absent deepen their understanding. In addition, a video of the progress of the general meeting was posted on the Company's website after the event for shareholders who could not watch the live video.

2. Status of Activities related to IR

	Supplementary explanation	Whether explanation by the representative is provided

Creation and publication of disclosure policy	<Overview of disclosure policy> The Company will disclose important information about the Group in a timely and appropriate manner in order to promote the understanding of all stakeholders, including shareholders and investors, and to enable proper assessment of the Group. ◆Criteria for information disclosure The Company will disclose information in a timely manner while observing transparency, fairness, and continuity in accordance with various laws and regulations such as the Financial Instruments and Exchange Act and the timely disclosure rules established by the stock exchanges on which the Company's securities are listed. Moreover, the Company will disclose, in a timely and fair manner, any important information that does not fall under laws and regulations and the timely disclosure rules but is considered to influence investment decisions or is considered useful for deepening the understanding of the Company. ◆Information disclosure method Important company information will be disclosed via appropriate methods such as the timely disclosure information transmission system (TDnet) of the Tokyo Stock Exchange, the Electronic Disclosure for Investors' NETwork system (EDINET) of the Financial Services Agency, press releases, and the Company’s website. ◆Enhancement of communications As well as timely disclosure and information dissemination by way of the Company’s website, the Company makes efforts to enhance communications with shareholders and investors by holding various briefings and responding to daily inquiries from shareholders and investors. Opinions received from shareholders and investors will be shared internally and used as a reference for corporate management toward an enhanced corporate value. ◆Setting of the silence period In order to prevent leakage of financial information and ensure fairness, the Company has set a silent period of four weeks before the announcement date of financial results (including quarterly financial results), and during this period, the Company will not respond to comments, questions and the like related to financial results. However, when it is clear that the difference from the earnings forecast which difference occurred during the silence period is within the fluctuation range that falls under the timely disclosure rules, information will be disclosed as appropriate by way of press releases and so on.	
Holding regular briefing sessions for individual investors	As well as holding online company briefing sessions for individual investors, the Company participates in briefing sessions for individual investors hosted by securities companies or the like in a timely manner.	No

Holding regular briefing sessions for analysts and institutional investors	The Company holds a financial results briefing for analysts and institutional investors twice a year when the final financial results and the second quarter financial results are announced. Additionally, the Company posts the financial results briefing materials and video or audio distribution of the progress of the briefing session on the Company's website.	Yes
Holding regular briefings for overseas investors	The Company conducts overseas IRs in North America, Europe, and Asia. Further the Company participates, as appropriate, in conferences in Japan hosted by securities companies.	Yes
Posting of IR materials on the Company's website	Posted on the Company's website are financial information, timely disclosure materials except financial information, financial results briefing materials, video or audio distribution of the progress of briefing sessions, and other press release materials.	
Establishment of a department (person in charge) related to IR	The Company has set up an IR office that is in charge of IR.	

3. Efforts related to Respect for the Position of Stakeholders

	Supplementary explanation
Specification regarding respect for Stakeholders' Positions by Internal Rules, etc.	The "MIRAIT ONE Group: Charter on Safety and Compliance" specify the basic stance toward stakeholders.
Implementation of environmental conservation activities, CSR activities, etc.	The Company intends to take proactive action on the recognition that tackling environmental problems is a challenge common to humanity and is an essential condition for the existence and activities of an enterprise. The Company has prepared an integrated report and disclosed it on the Company's website.
Formulation of policies related to provision of information to stakeholders	The "MIRAIT ONE Group: Charter on Safety and Compliance" stipulates that corporate information are to be disclosed positively and fairly.

IV. Matters Related to Internal Control System, etc.

1. Basic Concept Related to Internal Control System and its Maintenance Status

1. System to ensure that the execution of duties of directors and employees complies with laws and regulations and the Articles of Incorporation, and other systems to ensure the appropriateness of the business of the Company and the business of the corporate group consisting of the Company and its subsidiaries.

Details of the resolution of the Board of Directors as a system to ensure the appropriateness of business by the Company are as follows, and the Company is continuously making efforts to improve and enhance the operation of the Company.

(1) System to ensure that the execution of duties by directors and employees of a corporate group consisting of the Company and its subsidiaries (hereinafter referred to as the "corporate group" complies with laws and regulations and the Articles of Incorporation.

(A) The Company has established action guidelines as a code of conduct that regulates the officers and employees of the entire corporate group, disseminates the action guidelines to all officers and employees of the corporate group and regulates their conduct.

Regarding directors, the "Rules on the Board of Directors" ensure proper management, of the Board of Directors, smooth communications, and monitor mutual business execution. Concerning important

matters, it is intended to prevent a possible violation of laws and regulations and the Articles of Incorporation and enhance supervision of management functions by receiving opinions or advice from external experts (such as lawyers).

When a director has found a fact of conduct by another director that is suspected to constitute a violation of laws and regulations and the Articles of Incorporation, he/she shall promptly report it to the Board of Directors and the Audit and Supervisory Committee to prevent or correct a possible violation.

(B) In the MIRAIT ONE Group: Charter on Safety and Compliance , etc., the Company shall strive to eliminate any relationship with antisocial forces by decidedly confronting antisocial forces and behaving with a resolute attitude.

(C) Under the ESG Management Promotion Committee chaired by the President and CEO, the Compliance Committee chaired by the officer of the Company responsible for compliance is established. Each company of the corporate group arranges promotion staff in an effort to permeate, maintain and establish compliance awareness.

(D) For the purpose of ensuring the reliability of financial reports, the Company shall build an appropriate internal control system by observing the Financial Instruments and Exchange Act and related laws and regulations to maintain, evaluate and correct the financial reports.

(E) Each company in the corporate group shall establish a helpline (declaration/consultation contact) and make efforts to maintain and operate appropriate information transmission, in order to foster a more open corporate culture.

(F) With an intent to enhance the monitoring of effectiveness evaluation related to the establishment and operation status of the legal compliance system, the Internal Audit Department shall be expanded and appropriate audit work shall be in practice. The evaluation results shall be reported to the Board of Directors and the Audit and Supervisory Committee, etc.

(2) System to store and manage information related to the execution of duties of directors

(A) Storage and management of information related to the execution of duties of directors shall primarily contribute to proper and efficient business operations, and the following measures shall be taken.

(a) Establishing “Document Handling Rules”, and the like, which stipulate necessary matters regarding storage and management of documents (including electromagnetic records; hereinafter referred to as “documents”) and other information.

(b) The storage (retention) period of documents shall be specified for each type of document in the “Document Handling Rules” unless otherwise specified by laws and regulations.

(B) When a director has requested browsing of a document or the like, the document or the like shall be submitted without delay.

(3) Rules and other systems related to management of a risk of loss

(A) Basic risk management items shall be specified, and “Risk Management Rules” shall be established for proper and efficient business operations.

(B) Under the ESG Management Promotion Committee chaired by the President and CEO, the Risk Management Committee chaired by the officer of the Company responsible for compliance is established to ensure the effectiveness of the risk management system.

(C) The audit department conducts monitoring of validity evaluation of the maintenance and operation of the risk management system and the like. The evaluation result is reported to the board of directors and the Audit and Supervisory Committee.

(4) System to ensure efficient execution of duties of directors

(A) The Board of Director is held regularly once a month in principle. On top of the matters stipulated by laws and regulations or the Articles of Incorporation, deliberation of importance matters related to management shall be determined and reported in accordance with relevant laws and regulations, principle of management decisions, and duty of care of a good manager.

(B) For commissioning of business to directors, thorough organizational management by appropriate responsibility sharing, and efficient business operations are being targeted based on internal rules such as the “Organization/Business Allocation Rules” that define the organizational structure and scope of business and the “Responsibility Rules” that define responsibilities and authorities.

(C) The duties of outside directors who are independent, and the like, are arranged to be executed efficiently at the Board of Directors, and the monitoring function for the execution of duties of other directors is enhanced.

(5) System to ensure the appropriateness of business in the corporate group

The Company carries out transactions between companies of the corporate group in accordance with laws and regulations, and further takes the following measures in order for the corporate group to properly operate the business and contribute to its growth and development:

(a) Establishing a system to report, to the Company, matters related to the execution of duties of directors of subsidiaries or the like.

(b) Establishing a system to manage the risk of loss of a subsidiary and a system to contact the Company in the event of a risk.

(c) Establishing a system to ensure efficient execution of duties of directors of subsidiaries or the like.

(d) Establishing a system to ensure that the execution of duties of directors or the like and employees of subsidiaries complies with laws and regulations and the Articles of Incorporation.

(6) Matters related to employees who are responsible for assisting the duties of the Audit and Supervisory Committee

As an organization to assist the duties of the Audit and Supervisory Committee, the Audit and Supervisory Committee Office with dedicated staff is established and employees are arranged.

(7) Matters related to the independence of employees stipulated in the preceding item from the Directors (excluding Directors who are Audit and Supervisory Committee members)

Personnel appraisal and transfer, etc. of the employees stipulated in the preceding item are conducted by asking for the opinion of the Audit and Supervisory Committee in advance and based on the consent of the committee.

(8) Matters related to securement of effectiveness of instructions to the employees stipulated in the preceding item (6)

The employees who belong to the Audit and Supervisory Committee shall be under command and instructions of the Audit and Supervisory Committee.

(9) System for the directors and employees of the Company to report to Audit and Supervisory Committee

(A) The directors and employees of the Company shall promptly report to the Audit and Supervisory Committee each time they have grasped a fact regarding important matters that may influence the business or business performance of the corporate group and matters stipulated by laws and regulations.

(B) Regardless of (A) above, Audit and Supervisory Committee may request reports from directors or the like at any time as appropriate.

(10) System with which any person who has received a report from a director, a corporate auditor or an employee of a subsidiary reports to the Audit and Supervisory Committee of the Company.

(A) A director, a corporate auditor or an employee of a subsidiary or those who have received a report from any of these persons shall promptly report to the Audit and Supervisory Committee of the Company each time they have grasped the fact regarding important matters that may influence the business or business performance of each company and matters stipulated by laws and regulations.

(B) Regardless of (A) above, Audit and Supervisory Committee of the Company may request a report from the directors of a subsidiary at any time as appropriate.

(11) System to ensure that the person who has submitted a report described in item (9) or (10) is not treated unfairly because of the report.

Ensure that the person who has submitted a report described in item (9) or (10) is not be treated unfairly because of the report.

(12) Procedures for prepayment or redemption of expenses incurred in the execution of duties by an Audit and Supervisory Committee member and other matters related to policies regarding the processing of expenses or debts incurred in the execution of such duties.

The Company will properly process payments for expenses and debts incurred in the execution of duties by an Audit and Supervisory Committee member.

(13) Other systems to ensure that an audit by an Audit and Supervisory Committee is conducted effectively

(A) The Audit and Supervisory Committee members selected by the Audit and Supervisory Committee browses major approval documents and other important documents related to business execution, and as appropriate, a director or the like responds promptly when requested to give explanations.
(B) The Audit and Supervisory Committee members selected by the Audit and Supervisory Committee attend major conferences except the board of conference in order to grasp important decision-making processes and business execution status of the Company.
(C) The Audit and Supervisory Committee members selected by the Audit and Supervisory Committee exchanges opinions and information with the President and CEO, the Accounting Auditor, and the Internal Audit Department on a regular or on-demand basis to communicate with each other.

2. Operational Status of the System to Ensure the Business Appropriateness

The Company has been operating in accordance with the aforementioned system, and its main approaches are as follows.

(1) Status of efforts to ensure that the execution of duties complies with laws and regulations and the Articles of Incorporation

The Group established the "MIRAIT ONE Group: Charter on Safety and Compliance", and is working to raise compliance awareness through compliance training and various activities conducted by compliance promotion staff.

The “Compliance Committee” deliberates on individual issues in the corporate group and manages the progress of compliance promotion activities. The “Compliance Committee” is held twice in FY2023.

In addition, the Internal Audit Department carries out monitoring to confirm the effectiveness of compliance promotion activities.

(2) Status of efforts related to management of risk of loss

The Company has established, by way of the “Risk Management Rules”, the basic policy and promotion system regarding risk management as a corporate group, and based on the risk management plan, responds appropriately to various risks.

The “Risk Management Committee” deliberates on the status of risk management and individual issues in the corporate group. The “Risk Management Committee” is held twice in FY2023.

Additionally, the effectiveness of risk management is confirmed by carrying out monitoring by the Internal Audit Department.

(3) Status of efforts to ensure efficient execution of duties of directors

The Board of Directors is held once a month and as required based on the “Rules on the Board of Directors”. The Board of Directors was held 21 times in FY2023.

The Board of Directors deliberates on all matters to be submitted to the same based on the internal rules, actively exchanges opinions on each concern, and reports on the status of execution of duties of directors on a quarterly basis.

Further, the Company also conducts an effectiveness evaluation of the Board of Directors to improve its functions.

In addition, based on the Corporate Governance Code, the Company has established a voluntary advisory committee, the Nomination and Compensation Committee, under the Board of Directors in order to improve the objectivity regarding nomination and renumeration. In FY2023, the Committee was held 10 times.

Independent outside directors hold regular meetings with the CEO to enhance the monitoring function for the execution of duties of directors.

(4) Status of efforts to ensure the appropriateness of operations in the corporate group

According to the “Subsidiary Management Rules” and the like, the Company strives to establish a system to ensure the appropriateness of the business of the corporate group, and receives reports on its operational status. The Company conducts monitoring by the Internal Audit Department.

The Company manages important projects that have a significant impact on the entire corporate group upon receipt of reports from a subsidiary and subsequent discussions. At the same time, necessary measures are taken as a corporate group.

In order to detect compliance-related problems at an early stage and take appropriate action in a timely manner, an internal reporting system has been established and operated, and reports are made to the "Compliance Committee."

(5) Status of internal audit efforts

The Audit Department (Internal Audit Department) conducts internal audits of all organizations and subsidiaries of the corporate group and monitors the appropriateness of their operations in accordance with the internal audit plan approved by the Board of Directors. The results are reported to the Board of Directors and other relevant bodies.

The Group established the Audit Department as an organization independent from the first and second lines, which dual-reports to the Board of Directors and Audit and Supervisory Committee and conducts internal audit operations based on the concept of third line defense.

(6) Status of efforts to ensure effective audits by the Audit and Supervisory Committee

In addition to inspecting important approval documents, etc., Audit and Supervisory Committee members attend the Group Executive Committee and other important meetings to understand the important decision-making process and the status of business execution at the Company. In addition, the Audit and Supervisory Committee members communicate with representative directors, and accounting auditors through exchanges of opinions, thereby ensuring that the audits of the Audit and Supervisory Committee members are conducted effectively.

The Audit and Supervisory Committee Office, which has full-time staff, has been established as an organization to assist the duties of the Audit and Supervisory Committee, and three employees have been assigned to this office.

2. Basic Concept Toward Eliminating Antisocial Forces and its Maintenance Status

The “MIRAIT ONE Group Corporate Ethics Charter” specifies that the Company should actively communicate with a local community which is the foundation of the Company's existence, and decidedly confront antisocial forces that threaten the order and safety of civil society. The Company intends to act resolutely with basic principles “do not pay”, “have no relationship”, and “not be afraid” in mind.

V. Other

1. Adoption of Anti-takeover Measures

Adoption of Anti-takeover Measures	Not adopted

Supplementary explanation

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2. Other Matters Concerning Corporate Governance System

<Outline of timely disclosure system>

The MIRAIT ONE Group considers that timely disclosure is to provide information in a timely manner to all stakeholders, including shareholders and investors, and fulfills the social corporate responsibilities and urges sound corporate management by ensuring appropriate corporate evaluation and trust by investors in the market.

Accordingly, the Company makes efforts to disclose detailed qualitative information used to more accurately understand the actual management status of the company as well as quantitative information on financial conditions and business results, in an easy-to-understand fashion, thereby attaining timely and appropriate provision of information to stakeholders.

The detailed status of efforts for timely disclosure is described below.

1. The Company has established and is operating the code of conduct regarding the management of inside information and the buying and selling of stocks of the Company in the "Rules for Insider Trading Regulations" and "MIRAIT ONE Group Company Management Rules". Further, in the light of the Financial Instruments and Exchange Act, other relevant laws and regulations and the timely disclosure rules established by the stock

exchange, when the information is determined to be timely disclosure information, the information shall be announced without delay once the resolution of the Board of Directors or the approval of the CEO is obtained.

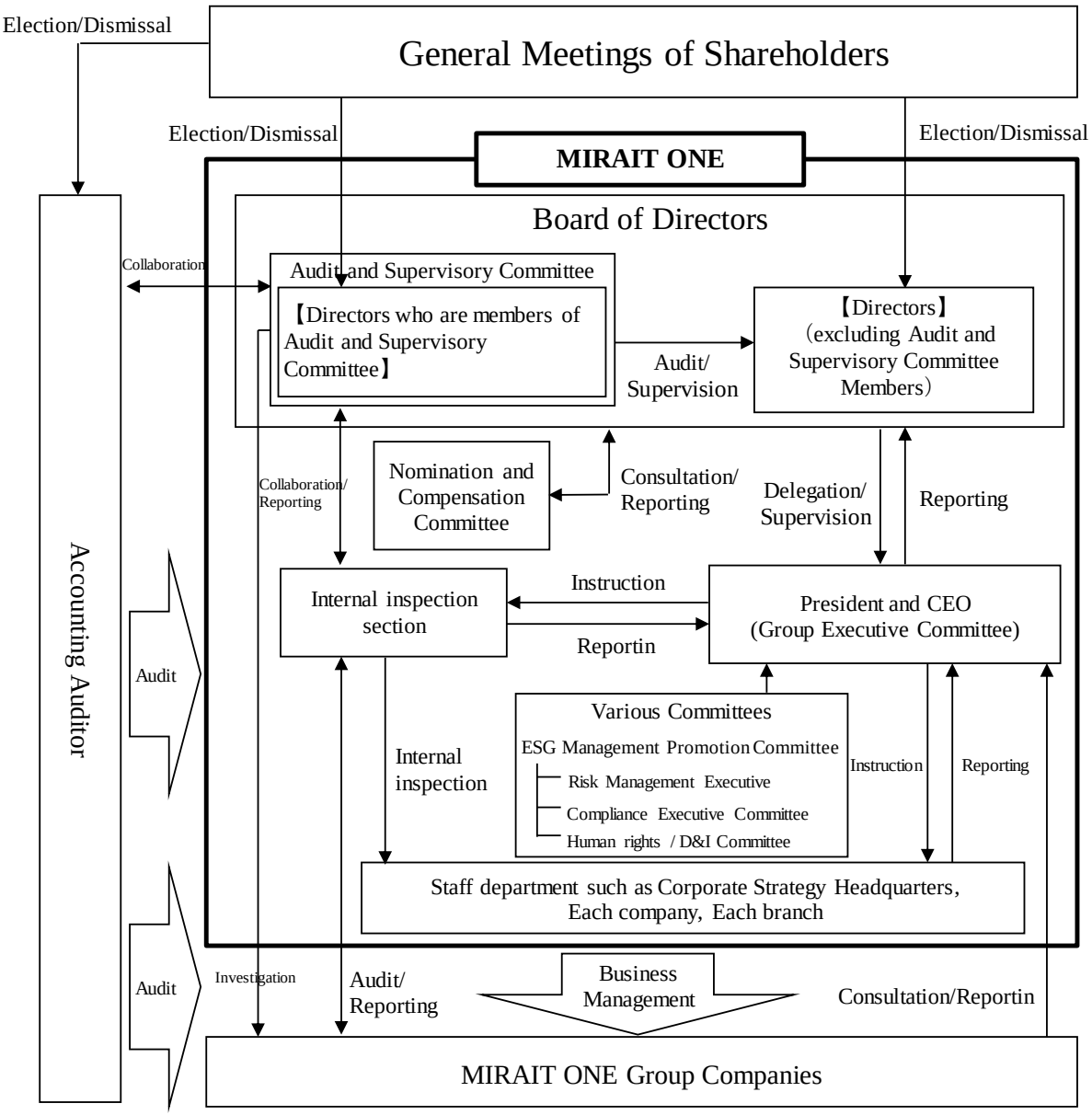
2. The person in charge of information handling (general manager of the finance department) collaborates with each department controlling internal information such as the corporate strategy department and the general affairs and personnel department, participates in important management meetings and the like, receives reports on important matters, or conducts an interview and the like to organize and verify important information and check the information to prevent omissions.

3. In addition to disclosing information to the Tokyo Stock Exchange through TDnet, the Company strives to build a system that takes advantage of opportunities to broaden common ground with each stakeholder by way of various types of information media and means such as IR briefings, the Company’s website and a variety of printed matters, thus readily obtaining disclosed information.

4. In order to ensure continuous disclosure, the Company has established a system to communicate management-related information as described in the reference material "2. Timely Disclosure System", which system allows prompt reporting of proper information.

（Reference materials）

1．Governance Structure



２．Timely disclosure system

