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The state of Corporate Governance of the Company is described below.

[I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information](#)

1. Basic Views

Rather than simply pursuing profit, the Company strongly believes that it must comply with laws and corporate ethics and carry out its duties as a responsible member of corporate society.

While maintaining close relationships with customers, shareholders, and employees—our core stakeholders—we continuously consider how we can deliver further satisfaction. In addition, we believe that reflecting the feedback received from various other stakeholders in our business while responding in ways that keep in mind what our company should achieve and for whom will lead to sound and efficient business management as a going concern.

Further, by not limiting ourselves to a systematic check and balance function but rather by spreading the roots as indexes or systems, we will work so that the check and balance across the entire company will function in sync with each person's awareness.

[\[Reasons for Non-compliance with the Principles of the Corporate Governance Code\]](#)

Note: The reason is presented based on the Code revised in June 2021.

The Company implements each principle of Japan's Corporate Governance Code.

[\[Disclosure Based on the Principles of the Corporate Governance Code\]](#)

Note: Information is presented based on the Code revised in June 2021.

[Principle 1-4]

Policy on reducing cross-shareholdings

The Company's main purpose in cross-shareholding is the facilitation of business relationships. The Company makes decisions regarding the continuation of its cross-shareholding primarily in consideration of stock prices. It continues its cross-shareholding if the cross-holding is reasonable. If the significance of cross-shareholding declines, the Company will sell the shares in stages, considering the situation of the companies.

Examination of cross-shareholdings

The Board of Directors and other bodies examine cross-shareholdings in detail to determine if their purpose is appropriate and the benefits and risks related to the cross-shareholdings are worth the capital cost. Summaries of these examinations are disclosed.

Criteria for exercising voting rights related to cross-shareholding

The Company's main criteria for ensuring the appropriateness of cross-shareholdings are their economic rationality and their improvement of corporate value. In making comprehensive judgments, the Company examines the medium- to long-term economic rationality of and outlook for individual stocks in consideration of return and risks and examines whether each shareholding will contribute to the increase of corporate value over the medium and long term.

[Principle 1-7]

The Company's Board of Directors Regulations stipulate that conflict of interest transactions involving Directors shall require the advance approval of the Board of Directors. The regulations also stipulate that the terms and conditions of conflict of interest transactions should be the same as the general terms and conditions. The terms and conditions are disclosed in the notice of the General Meeting of Shareholders and the securities report.

[Supplementary Principle 2-4-1]

The Company believes that hiring and cultivating diverse human resources will improve corporate value over the medium and long term. One of the priorities in the mid-term management plan is personnel development and establishment of a rewarding workplace environment. The Company has been steadily developing and implementing a system that enables employees to be hired and promoted to managerial positions based on their abilities regardless of their gender, race, nationality or other attribute.

The Company will continue to actively promote women. The Company aims to achieve the following targets by the end of FY2030:

(i) 30% of all employees will be women (As of December 1, 2021, 19.5% of all employees are women.) and (ii) the ratio of female managers to all female employees will equal the ratio of managers to all employees (as of December 1, 2021, 8.5% of all female employees are managers; and managers are 28.2% of all employees).

To promote more women, the Company is undertaking the initiatives below. The Company will build an environment where all employees, including women, can work without concerns.

- Introducing a system helping employees hire babysitters (2021)
- Expanding the range of jobs where teleworking is possible (2020)
- Creating a project team to promote women's participation (2021)

As of December 1, 2021, 59.7% of all of the Company's employees joined the Company mid-career, and 86.4% of all managers were hired mid-career. The Company will continue to promote employees to managers according to their abilities regardless of their being hired as new graduates or mid-career employees.

At the same time, the Company will actively hire foreign nationals and promote them to management positions according to the development of its businesses.

The goal of the Company is to become a company that is more trusted and loved by continuing to create new value through its enablement of its diverse human resource to fully demonstrate their capabilities.

[Principle 2-6]

The Company does not have a corporate pension fund plan.

Note: To enable employees to steadily accumulate assets, our Group has introduced a retirement allowance system and the SME retirement allowance mutual aid plan.

[Principle 3-1]

(1) Company objectives (e.g., business principles), business strategies, and business plans

- Please refer to (e.g., business principles) section of our website under the heading "(<https://mirarth.co.jp/corporate/vision/>)" for details of the Company's goals.
- Please refer to the Medium-Term Management Plan (<https://mirarth.co.jp/ir/midterm/>) section of our website for details on our management strategy and management plan.

(2) Please refer to the "I.1. Basic Approach" section of this Report regarding the basic approach and policy for Corporate Governance based on the respective principles of this Code (draft).

(3) Policies and procedures for Board of Directors in determining executive and director compensation

Please refer to the "Securities Report" and the "Matters Relating to the Structure and Organizational Management of II.1.

Organizations" section of this Report for the policies and procedures for Board of Directors in determining the compensation of senior management and directors.

(4) Policies and procedures for Board of Directors to appoint and remove senior management and nominate directors and Audit & Supervisory Board members

Basic policies and procedures for appointment/dismissal and nomination

The election and dismissal of senior management and nomination of director candidates will be decided by Board of Directors after consultation at Nomination Committee, a voluntary advisory body, based on our sustainable performance improvement and the following "Election, Nominating Criteria" and "Dismissal Criteria."

(a) Election and nomination standards

- Strong willingness to work to improve our performance. Or a high degree of contribution to our business performance.
- Have an excellent personality, insight, and a spirit of compliance.
- Be superior in foresight.
- Be healthy both mentally and physically.
- Able to make fair and objective judgments and respect others from a company-wide perspective.

(b) Dismissal Criteria

- Any event that clearly fails to meet Election and Nominations Criteria occurs.

The nomination of candidates for Audit & Supervisory Board Members will be decided by Board of Directors with the consent of Audit & Supervisory Board after consulting with the committee.

(5) Reasons for each candidate's election and dismissal with respect to individual election and nomination when electing and dismissing senior management and nominating director and Audit & Supervisory Board member candidates are described in Annual Shareholders' Meeting Convocation Notice.

[Supplementary Principle 3-1-3]

Information regarding our sustainability initiatives, investments in human capital and intellectual property, and risks and profit opportunities related to climate change is available on our website. Please refer to the following URL:

<https://mirarth.co.jp/sustainability/>

[Supplementary Principle 4-1-1]

We delegate decision-making authority to the executives in charge of individual business operations, other than those that are required to be decided by Board of Directors, in accordance with laws and regulations and internal regulations such as Board of Directors Regulations. The scope of specific delegation is clearly defined in the Rules on Administrative Authority, while matters affecting the entire Group are deliberated at subordinate meetings such as the Group Executive Committee to ensure swift and efficient business execution.

[Supplementary Principle 4-3-2, 4-3-3]

The candidates for Directors and Audit & Supervisory Board Members and Election and dismissal of CEO management team are

advised by a voluntary Nomination Committee composed of more than half of the independent Outside Director, and 7 of the 9 members of Board of Directors are outside directors, who achieve highly effective Supervise functions. Based on the fair and transparent deliberations conducted by Board of Directors, decisions are made in a flexible manner, depending on the circumstances, based on the assessment of the Company's performance and other factors. Board of Directors selects candidates for director and Audit & Supervisory Board Members and those for CEO or lower management Election who are capable of contributing to corporate value over the medium to long term and candidates for Audit & Supervisory Board Members who are capable of contributing to the establishment of a fair management oversight system, taking full account of their respective duties and responsibilities, without regard to gender, age, and nationality, and considering their respective personalities and insight.

[Principle 4-8]

We Election 4 independent Outside Director with sufficient qualities to fulfill their roles and responsibilities so as to contribute to the sustainable growth of the Company and the enhancement of corporate value over the medium to long term.

[Principle 4-9]

In accordance with the requirements of Outside Director stipulated in the Companies Act and the independence standards established by Tokyo Stock Exchange, we Election our Independent officer, the "Outside Director."

[Supplementary Principle 4-10-1]

In order to increase the objectivity and transparency of the decision-making process regarding personnel affairs and remuneration for directors and others, and to further enhance and strengthen Corporate Governance system, we have established voluntary Nomination Committee and Compensation Committee. In addition, each committee is composed of 3 or more directors selected by Board of Directors Resolution, of which more than half are independent Outside Director and Chair of each committee is an independent Outside Director, thereby ensuring that independent Outside Director are properly engaged and advised.

Board of Directors consults with Nomination Committee in advance on the following matters to obtain appropriate Nomination Committee engagement and advice, including gender-diversity and skill perspectives.

- Composition and Balancing of Board of Directors
- Matters concerning the election and dismissal of directors
- Matters concerning the selection and removal of Representative Director and titled Executive Officers
- Items related to Outside Director's independence criteria
- Matters concerning the succession plan

In addition, Compensation Committee determines the amount of individual compensation paid to directors, and the determination of the amount of individual compensation was made by Board of Directors with the advice of Compensation Committee.

This is conducted in accordance with the Policy for Determining Details of Individual Compensation for Directors.

[Supplementary Principle 4-11-1]

Concerning the structure of Board of Directors, the Company believes that it is essential to have a structure that ensures diversity in an appropriate size by having a balanced system of knowledge/experience/ability for directors to effectively fulfill their roles/responsibilities.

With regard to the policies and procedures for Election of our directors, candidates for directors are those who are excellent in character and insight, have achieved a track record in their previously assigned duties, are familiar with corporate management, or are highly specialized. The selection of candidates is decided by Board of Directors after consultation with Nomination Committee. Skills matrices summarizing the expertise and experiences of individual directors are disclosed in the final Page of this Report.

[Supplementary Principle 4-11-2]

The status of concurrent duties of directors and Audit officers is disclosed annually in Report Statement and the Notice of Convocation of Ordinary General Meeting of Shareholders.

[Supplementary Principle 4-11-3]

We evaluate and analyze the effectiveness of Board of Directors in order to improve the functionality of Board of Directors. With the help of outside consulting organizations, Board of Directors will also evaluate its effectiveness in fiscal 2021, including its structure and operation, the status of discussions, executive training, and corporate governance.

We conducted an anonymous survey of all directors and Audit & Supervisory Board Members, including Outside Director, regarding their performances.

We received generally positive evaluations from the survey, and we confirmed that our Board of Directors is being implemented effectively. Progress has also been made in improving the "composition of Board of Directors with diversity" and "provision of information required for discussion," which were recognized as issues in the previous effectiveness assessment.

Issues to be addressed in the future included enhancing discussions on the Group's overall crisis management system and management strategy, including the investment of human capital, and reflecting the opinions of shareholders and other investors.

The Company will fully examine the challenges and continue to implement initiatives to enhance the functionality of the Board of Directors.

[Supplementary Principle 4-14-2]

We conduct training for directors and Audit & Supervisory Board members on a regular basis. For Audit & Supervisory Board members, we continuously participate in external seminars and study meetings to acquire and update the knowledge required of directors.

[Principle 5-1]

IR Office is the department in charge of IR, and we actively respond to requests for dialogue (interviews) from shareholders, recognizing that reflecting the opinions of many shareholders in our business will lead to sound, efficient, and stable corporate growth. Please refer to the section entitled "Status of Activities Related to III.2.IR" in this Report for details on our policies for organizational development and initiatives.

[Principle 5-2]

Based on an accurate understanding of the company's cost of capital (Shareholders' equity cost and weighted average cost of capital (WACC)), we formulate management strategies and plans based on our management philosophy and The Company discloses outlines of its management strategies and plans.. In addition, management strategies and management plans that have been formulated are reviewed and analyzed annually, and revisions are made as necessary, including plans for the allocation of management resources, such as revisions to the business structure and new business investments and capital expenditures, as well as investments in human resource development.

2.Capital Structure

Percentage of Foreign Shareholders	10% or more and less than 20%
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[for trust account]

Name and Company Name	Number of Shares Owned (Shares)	Percentage (%)
Yoshio Murayama	25,633,600	23.51
The Master Trust Bank of Japan, Ltd. (Trust account)	11,365,500	10.42
Custody Bank of Japan, Ltd. (Trust account)	2,874,400	2.64
Murayama Kikaku Co., Ltd.	2,000,000	1.83
RUDEN HOLDINGS Co., Ltd.	1,600,000	1.47
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	1,495,500	1.37
MIRARTH HOLDINGS Business Partner Shareholding Association	1,309,800	1.20
Sumitomo Mitsui Banking Corporation	1,184,000	1.09
JP MORGAN CHASE BANK 385781	1,091,339	1.00
SSBTC CLIENT OMNIBUS ACCOUNT	1,069,983	0.98

Controlling Shareholder (except for Parent Company)	-----
Existence of Parent Company	No

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- The status of major shareholders is as of March 31, 2022.
- We own Treasury stock 11,948,807 Shares, which is deducted from the above major stockholders.
- Percentage of shares held is calculated after deducting Treasury stock.

3.Corporate Attribute

Listed Exchange and Market Division	Prime Market of the Tokyo Stock Exchange
Fiscal Period	March
Type of Business	Real estate
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	At least 1,000
Net Sales (consolidated) for the Previous Fiscal Year	100 billion yen or more, but less than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 subsidiaries to less than 50 subsidiaries

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

* Categories for “Relationship with the Company”

* “○” indicates that the Audit & Supervisory Board Member currently falls under the category, or did so recently, and “△” indicates that the Audit & Supervisory Board Member fell under the category in the past.

* “●” indicates that a close relation falls under the category, or did so recently, and “▲” indicates that a close relation fell under the category in the past.

a. Business execution person of a listed company or its subsidiary

b. Executive or non-executive director of the parent company of a listed company

c. A business executive of a sister company of a listed company

d. A person whose major business partner is a listed company or an executive thereof

e. A major business partner of a listed company or an executive thereof

f. Consultants, accountants, and legal experts who receive a large amount of money or other property from a listed company other than director remuneration

g. A major shareholder of a listed company (if the major shareholder is a legal entity, the executive of the legal entity)

h. Business execution person (person only) of a business partner of a listed company (those who do not fall under any of d, e, and f)

i. A business executive of a company that has a mutual appointment relationship as an outside officer (only the person himself/herself)

j. Business execution person to whom the listed company is making donations (only the person himself/herself)

k. Other

Relationship with the Company (2)

Name Title	Independent officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Kenji Kawada	○	-----	I am involved in management at financial institutions and operating companies, and I have a wealth of experience, achievements, and wide-ranging knowledge and insight related to management. Therefore, I Election to an outside director because I believe that I am contributing greatly to our management. In addition, there is no particular Interests with us, and since we are in an independent position and can judge that there is no risk of conflict of interest with ordinary stockholders, shareholders and therefore designates him as an independent officer.
Chiaki Tsuji	○	-----	We have never been involved in corporate management other than becoming an Outside Director, but we have accumulated expertise and a wealth of experience as a Japanese and German Attorney-at-law, which we believe will lead to increased transparency in Board of Directors and the strengthening of Supervise functions and nominates her as an Outside Director. In addition, since there is no particular Interests with us, we are in an independent position, and we can judge that there is no risk of conflict of interest with ordinary shareholders. Accordingly, we have designated it as a Independent officer.
Keiko Yamahira	○	-----	We have a wealth of experience and a wide range of insight as a manager in the real estate industry. We believe that this will strengthen Supervise functions of our management, and supervisory functions of the Board of Directors and nominates her as an Outside Director. In addition, there is no particular Interests with us, and since we are in an independent position and can judge that there is no risk of conflict of interest with ordinary stockholders, shareholders and therefore designates

			her as an independent officer.
Naohito Yamagishi	○	-----	Although we have not been directly involved in the management of a company, we have long accumulated expertise and extensive experience in the National Police Agency. In addition, due to our work performance and experience in the Ministry of Construction (currently the Ministry of Land, Infrastructure, Transport and Tourism), supervisory functions of the Board of Directors and nominates him as an Outside Director, has been judged to lead to the improvement of Board of Directors transparency and the strengthening of Supervise functions. In addition, there is no particular Interests between us and him, and we are in an independent position, and we are able to determine that there is no risk of conflict of interest with ordinary shareholders. Accordingly, we have designated him as a Independent officer.

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

Voluntary Establishment of Committee(s), Composition of Committee Members and Attributes of Committee Chairpersons

	Committee Name	Total Members	Full-time members	Internal Directors	Outside Director	Outside experts	Other	Chairperson
Voluntary committee corresponding to a Nomination Committee	Nomination Committee	5	0	1	4	0	0	Outside Director
Voluntary committee corresponding to a Compensation Committee	Compensation Committee	5	0	1	4	0	0	Outside Director

In order to increase the objectivity and transparency of the decision-making process regarding personnel affairs and remuneration for directors and others, and to further enhance and strengthen Corporate Governance system, we have established voluntary Nomination Committee and Compensation Committee.

In addition, the committees are composed of at least 3 directors selected by Board of Directors Resolution, of which more than half are independent Outside Director, to ensure that independent Outside Director are properly engaged and advised.

[Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum number of Audit & Supervisory Board Members stipulated in 5 Articles of Incorporation	
Number of Audit & Supervisory Board Members	3

Cooperation among Audit & Supervisory Board Members, Accounting Auditors and Internal Audit Departments

All 3 Audit & Supervisory Board Members are Outside Audit & Supervisory Board Members, and all Audit & Supervisory Board Members have sufficient work histories, achievements, and spirits to conduct objective judgments and checks. In addition to audits of the Company audits of affiliated companies are also practiced by attending the board of directors meetings of each company and interviewing directors etc., and a tense relationship is maintained at each affiliated company. In addition, Accounting Auditor strives to further improve the effectiveness and efficiency of Audit by identifying and coordinating annual schedules with each other, accompanying them to site inspections, model room surveys, and other means, and exchanging information as needed.

In order to enhance and strengthen our internal Audit, we have established the Internal Audit Regulations and established Internal Audit Office as an independent organization under the direct control of the president. In planning and implementing the internal Audit, Audit & Supervisory Board Member Audit and Accounting Auditor Audit are fully coordinated in terms of scheduling and Audit Details to ensure the efficient operation of their respective functions. Audit & Supervisory Board Members attend Audit, which is conducted by Internal Audit Office, and work to establish an effective and efficient Audit Details system by confirming Audit Details and soliciting opinions as necessary.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	3
Number of Independent Outside Audit & Supervisory Board Members	3

Relationship with the Company (1)

Name Title	Attribute	Relationship with the Company*												
		A	B	C	D	E	F	G	H	I	J	K	L	M
Makoto Endo	From another company													
Yuuko Miura	Certified Public Accountant													
Asami Honma	From another company													

※ Categories for “Relationship with the Company”

※ “○” indicates that the Audit & Supervisory Board Member currently falls under the category, or did so recently, and “△” indicates that the Audit & Supervisory Board Member fell under the category in the past.

* “●” indicates that a close relation falls under the category, or did so recently, and “▲” indicates that a close relation fell under the category in the past.

- Executive (a person who executes business; hereinafter the same) of the Company or its subsidiaries
- Non-executive director or accounting advisor of the Company or its subsidiaries
- Non-executive director or executive of a parent company of the Company
- Corporate Auditor of a parent company of the Company
- Executive of a fellow subsidiary of the Company

- f. A party whose major client or supplier is the Company or an executive thereof
- g. Major client or supplier of the Company or an executive thereof
- h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the company besides remuneration as a director
- i. Major shareholder of the Company (or an executive of said major shareholder if the shareholder is a corporation)
- j. Executive of a client or supplier of the Company (which does not correspond to f., g., or h.) (the Audit & Supervisory Board member him or herself)
- k. Executive of a company, between which and the Company outside directors/auditors are mutually appointed (the Audit & Supervisory Board Member himself/herself only)
- l. Executive of a company or organization that receives a donation from the Company (the Audit & Supervisory Board Member himself/herself only)
- m. Other

Relationship with the Company (2)

Name Title	Independent officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Makoto Endo	○	We also serve as Audit & Supervisory Board Members at 2 of our consolidated subsidiaries. Specifically, he has also served as Audit & Supervisory Board Member of Leben Trust, Co., Ltd. since May 2022 and Takara Leben Co., Ltd. since October 2022.	He has extensive experience, achievements, and extensive knowledge and insight in financial institutions and other companies, and therefore Election him as an Outside Audit & Supervisory Board Member. In addition, there is no particular Interests with us, and since we are in an independent position and can judge that there is no risk of conflict of interest with ordinary stockholders, shareholders and therefore designates him as an independent officer.
Yuuko Miura	○	Our 3 consolidated subsidiaries also serve as Audit & Supervisory Board Members. Specifically, Leben Home Build Co., Ltd. began operations in October 2020, and Leben Zestock Co., Ltd. began operations in June 2022 and Takara Leben Co., Ltd. since October 2022.	As a Certified Public Accountant, we are involved in Audit corporations and operating companies. By reflecting the advanced expertise that we have cultivated as a Certified Public Accountant in our Audit, we believe that we can fairly and fairly carry out the duties of Audit and we Election it to an outside Audit & Supervisory Board member. In addition, there is no particular Interests with us, and since we are in an independent position and can judge that there is no risk of conflict of interest with ordinary stockholders, shareholders and therefore designates her as an independent officer.
Asami Honma	○	We also serve as Audit & Supervisory Board Members at 2 of our consolidated subsidiaries. Specifically, he has concurrently served as Audit of Takara Leben Co., Ltd. since May 2020 and Takara Leben Realnet Co., Ltd. since May 2022.	He has extensive experience, achievements, and extensive knowledge and insight in financial institutions and other companies, and therefore Election him as an Outside Audit & Supervisory Board Member. In addition, there is no particular Interests with us, and since we are in an independent position and can judge that there is no risk of conflict of interest with ordinary stockholders, shareholders and therefore designates him as an independent officer.

Number of Independent Directors/Auditors	7
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Matters Related to Independent Directors/Auditors

[Incentives]

Implementation of Measures to Provide Incentives to Directors	Introduction of a stock option program
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Supplementary Explanation

The Company has adopted 2 Type (Class A Subscription rights to shares and Class B Subscription rights to shares) stock options with varying exercise terms, with an aggregate allocation of up to 600 Millions of yen per annum.

Recipients of Stock Options	Inside Directors and Employees and Other
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Supplementary Explanation

By introducing a stock-based compensation system, we have allocated Subscription rights to shares to our directors and Executive Officers with the aim of further clarifying the linkage between our business performance and stock value and executive compensation, and further enhancing our motivation to improve business performance and corporate value over the medium to long term.

[Remuneration for Directors/Executive Officers]

Disclosure of Individual Directors' Remuneration	Individual disclosure for some officers only
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Supplementary Explanation

- The total amount of remuneration for all directors and corporate auditors is disclosed in Report.
- Individuals with total compensation of 100 million yen or more are disclosed separately in Report Statement.

Policy on Determining Remuneration Amounts and Calculation Methods	Yes
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Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Ordinary General Meeting of Shareholders Resolution Date on remuneration for Directors and Audit & Supervisory Board members is effective on June 27, 2017. The resolution Details is limited to an annual amount of 600 Millions of yen (excluding employee salaries). In addition to the above, Ordinary General Meeting of Shareholders of June 25, 2021 has resolved that the annual amount of stock option remuneration is no more than 600 Millions of yen. At a meeting held on February 15, 2021, the Board of Directors passed a resolution on the following policy regarding the determination of remuneration for the Directors.

① Basic Policy

When determining the amount of remuneration, etc. for executives, we shall make decisions based on the Advisory Committee for Remuneration, a voluntary advisory body, after comprehensively considering business performance, potential risks, the degree of responsibility for Group management, and the degree of progress of the Medium-Term Management Plan within the scope of the resolution made by Ordinary General Meeting of Shareholders, and with regard to executive directors, a certain percentage of remuneration shall be linked to business performance and the degree of contribution of each director, so that it functions as an incentive for sustainable growth. This will lead to a sound, efficient, and stable going concern.

The details of the basic policy on remuneration for executive directors are as follows:

- It should contribute to the enhancement of our corporate value.
- The amount and design required to secure and maintain excellent human resources
- It should be designed to reflect our medium-and long-term management strategies and should be motivated to do so.

- To have transparency, fairness, and rationality for shareholders, employees, and other stakeholders, and to be determined through an appropriate process to secure them.
- In addition to basic remuneration, it shall be determined based on the remuneration system designed by introducing individual evaluation-linked and performance-linked remuneration.

② Policy on determining the amount of remuneration, etc. for individual basic remuneration (monetary remuneration) including policy on determining the timing or conditions of remuneration, etc.) The basic remuneration (monetary remuneration) for our directors is evaluated on a 5-point scale according to the degree of achievement of each of the following 5 evaluation items (the "P.C.F.P.A." evaluation) for each fiscal year, while comprehensively considering the industry level, the level of other companies, and the level of employee remuneration according to the position, responsibilities, and years of service. The remuneration is determined after consultation with the Compensation Advisory Committee, which is a voluntary advisory committee, and monthly remuneration equal to the level in 12 months.

- Performance (Performance): Performance of own division
- Compliance (Compliance): Legal compliance, morals, etc.
- Foresight (Foresight): Ability to grasp and analyze the situation, and ability to plan business
- Strength (Physical): Business promotion capabilities
- Affinity (Affinity): Ability to build relations

③ Policies for determining Details and amount or number of performance-linked remuneration, etc. and non-monetary remuneration, etc. (including policies for determining the timing or terms of remuneration, etc.) Our non-monetary compensation shall be a stock-based compensation type stock option, and in principle shall be issued when the performance for the relevant fiscal year achieves the target, etc. The number of stock-based compensation-type stock options granted or not paid will be determined based on the performance achievement evaluation of each executive director. Target performance indicators shall be established annually and reviewed as appropriate in response to changes in the environment.

For stock-based compensation options, the options are Class A stock options exercisable after a certain period of time and Class B stock options exercisable at the time of retirement.

④ Policy on Determining the Amount of Base Remuneration, the Amount of Performance-Linked Remuneration, etc. or the Amount of Non-Monetary Remuneration, etc. as a Percentage of Individual Remuneration, etc. of Directors The percentage of to the amount of remuneration, etc. for individual Directors In principle, the ratio of the Directors' basic remuneration to remuneration through stock options (Class A stock options (exercisable after a certain period of time) and lass B stock options (exercisable at the time of retirement) shall be as follows: "Basic Director Compensation: Class A stock options: Class B stock options = 5:4:1."

The Compensation Advisory Committee, an advisory body, determines the amount of individual compensation. The Compensation Advisory Board will Report the total amount to be paid at Board of Directors each time.

[Supporting System for Outside Directors (and Outside Auditors)]

At the request of outside directors, we have a system in place to support their duties and operations at any time. The Group Corporate Planning Department is responsible for supporting outside officers. In response to requests from outside officers, the department provides advance explanations and materials on the agenda items of Board of Directors and other meetings. It also liaises schedules and coordinates schedules for these meetings.

2. Matters related to functions such as business execution, Audit and Supervise, nomination, and compensation decision-making (Overview of Current Corporate Governance System)

Business Execution

Currently, we have 6 directors, 4 of whom are outside directors, all of whom are designated as independent directors. In principle, Board of Directors meets once a month, and extraordinary Board of Directors are held as needed to make decisions in a prudent and prompt manner. At the same time, The Directors monitor each other's performance of their duties. Board of Directors is attended by Audit & Supervisory Board Members at all times and provides their views as needed. Outside Director and Collaboration also supervised the status of Outside Director operations and business execution from time to time. In accordance with internal regulations, Board of Directors is attended by persons other than directors, such as Executive Officers, the Internal Audit Office Manager, and the general manager of other, who are requested by Board of Directors to express their views on agenda items and Report matters as appropriate.

We have introduced an Executive Officers system to clarify Supervise responsibilities of directors and the operational responsibilities of Executive Officers, further accelerate the decision-making process, and further strengthen business execution. Other we hold a Group Executive Committee once a month to discuss and discuss in advance the Group's management policies, management strategies, and major plans and implementation proposals related to Group management. In this way, we are enhancing the precise decision-making process. We have also established voluntary Nomination Committee and Compensation Committee to enhance the objectivity and transparency of the decision-making process regarding personnel affairs and remuneration for directors, etc. and to further enhance the governance function.

Audit Structure

We have 3 Audit & Supervisory Board Members, all of whom are Outside Audit & Supervisory Board Members, and all of the three members are outside Audit & Supervisory Board Members and are designated as outside officers. As in the case of Board of Directors, Audit & Supervisory Board meets once a month in principle, and Audit & Supervisory Board Members have established an independent, close communication and Collaboration system. Each Audit & Supervisory Board Member, while

maintaining Audit and Accounting Auditor in Collaboration, attends Audit & Supervisory Board's Critical Board of Directors Other Meetings, reviews important documents, listens to the status of business execution, and conducts Audit at important locations in accordance with Audit policies and Audit plans.

Accounting Auditor also monitors and verifies that Audit is conducted in an appropriate manner, and Report and explanations are received from Accounting Auditor regarding the status of the execution of their duties, and various financial documents and other Audit are conducted.

Furthermore, we have established the Group Internal Audit Office as an independent organization under the direct control of the president. With a system of 5 full-time staff, we conduct Audit primarily related to the effectiveness of our internal control system. Group Internal Audit Office implements a planned and efficient Audit based on Audit plan. The outcome of Audit is Report from time to time in Board of Directors as "Audit report," which is made known throughout the company and serves as an internal checks and balances.

Accounting Audit

Mr. Tooru Yurue and Mr. Takafumi Shimokawa, certified public accountants of Grant Thornton Taiyo LLC., conducted an accounting audit for the Company. Continuing Audit for Mr. Tooru Yurue the number of years is 1 year, and continuing Audit for Mr. Takafumi Shimokawa the number of years is 2 years. In addition, 11 certified public accountants and 25 others assisted in the accounting audit. There is no particular Interests between Audit Corporation and Managing Partner, an Audit corporation engaged by us. In addition, Managing Partner has taken steps to ensure that it does not become involved beyond a certain time frame. Audit Corporation has entered into an Audit contract and pays compensation based on the contract.

We and Accounting Auditor Grant Thornton Taiyo LLC., have concluded an agreement to limit our liability for damages as set forth in Paragraph 1 of Article 423 of the Corporation Act. The amount of liability for damages based on the said agreement is the minimum liability amount as provided by laws and regulations.

3. Reasons for Adoption of Current Corporate Governance System

We employ 4 Outside Director to supervise our management decision-making process from an objective standpoint outside the company, and to provide comments and advice as needed based on our own experiences, achievements, knowledge and insight. We have appointed all 3 Audit & Supervisory Board Members as Independent outside Audit & Supervisory Board Members, 2 of whom are Full-time Audit & Supervisory Board Members, and Audit & Supervisory Board Members attend meetings of the Board of Directors and other important meetings. From this standpoint, they express their views as needed, and constantly supervise the status of directors' business execution. Furthermore, Full-time Audit & Supervisory Board Members, who are well-versed in the Company and have a deep understanding of management, actively strive to improve Audit's environment and gather internal data, and routinely monitor the status of the establishment and operation of the internal control system. They express objective opinions and provide advice, so we believe that the appropriateness of management is sufficiently maintained.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Efforts to Revitalize Ordinary General Meeting of Shareholders and Facilitate the Exercise of Voting Rights

	Supplementary Explanations
Early dispatch of Ordinary General Meeting of Shareholders convocation notices	We strive to send convocation notices as early as possible.
Scheduling the General Meeting of Shareholders avoiding the peak days	Our Ordinary General Meeting of Shareholders is held avoiding Ordinary General Meeting of Shareholders concentration date.
Exercising of voting rights by electronic means	The Company has made it possible to exercise voting rights online.
Participation in an electronic voting platform and other initiatives to improve the environment for institutional investors to exercise their voting rights	From Annual Shareholders' Meeting held in June 2018, we participated in an electronic voting platform for institutional investors operated by ICJ Corporation.
Provision of summaries of convocation notices in English	The Company provides a narrowly defined version of its convocation notice and reference documents in English.
Other	The convocation notice is posted on our website before the date of shipment.

2. Investor Relations Activities

Supplementary Explanations	Explanation by representative

Preparation and publication of disclosure policy	<ul style="list-style-type: none"> • URL: https://mirarth.co.jp/ir/policy/ • Published on the website 	
Regular briefings for individual investors	Briefings for investors sponsored by brokerages and IR support companies are held several times a year.	Yes
Regular briefings for analysts and institutional investors	Every year, the Company holds two results briefings, a full-year results briefing and a first-half results briefing.	Yes
Regular briefings for overseas investors	Following the announcement of financial results, Other conducts overseas IR activities as needed, and disseminates information to overseas investors and others.	Yes
Posting of IR materials on website	The content of IR information is available on the Company's website, which allows users to view financial information, press releases and Details from the past, materials for briefing sessions on financial results, and medium-term management plans.	
Establishment of department and/or manager in charge of IR	Our IR Office is in charge of IR, and we have appointed a person in charge of IR.	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Internal rules stipulated for respecting the position of stakeholders	We have formulated the Group's "Values" and recognize that collaboration with stakeholders is essential, and we strive for appropriate collaboration with stakeholders. In addition, to foster a corporate culture and culture that respects the rights and positions of stakeholders and the ethics of sound business activities, we have established the Ethical Standards to be Compliant in Relation with Customers, Business Partners, and Society as a whole in our Ethical Rules.
Implementation of environmental activities, CSR activities, etc.	We are reducing our environmental impact by developing renewable power generation facilities and selling homes with high-environmental performance, such as ZEH condominiums. Energy Business will be implemented as part of our efforts to contribute to society.
Development of policies on information provision to stakeholders	We have established standards and methods for disclosing information in our Disclosure Policy, which aims for appropriate and fair Information Disclosure.

IV. Matters Related to the Internal Control System

1. Basic Policy and Structures Regarding Internal Control Systems

Due to the reorganization, our Group shifted to a holding company structure on October 1, 2022. In conjunction with this change, the Company changed its name from Takara Leben Co., Ltd. to MIRARTH HOLDINGS, Inc. and formulated the following "Purpose" and "Values" for the Group.

<Purpose>

[To design sustainable environments for a happier future for both people and our planet.]

<Values>

(1) Passion & Inspiration

To be passionate about creating vibrant environments and to inspire and be inspired by people who share our vision.

(2) Sustainability

To create a sustainable world where people, nature, and society coexist in harmony.

(3) Value creation

To continue to evolve and keep up with the rapid change around us to create new value.

(4) Diversity & Co-creation

To value each individual's ideas and co-create a diverse and equitable environment with the local communities.

(5) Integrity & Trust

To generate a trusting relationship among people and society through protection of our safety and security.

We have established the following Details for internal-control systems in order to achieve the aforementioned company "Purpose"

1. System for the preservation and management of information pertaining to the execution of duties by Directors

We store and manage the information pertaining to the execution of duties by Directors in accordance with the Document Management Regulations according to the storage media and duties. In addition, the head of Corporate Planning Division has been designated as the chief of information control. The general manager of the Group Corporate Planning Department is the chief of information control in accordance with the Confidentiality Control Regulations. The general manager of the Group Corporate Planning Department is responsible for information control and Report the status of maintenance as appropriate. The general manager of each department, as the person in charge of information control within the department, is responsible for mutual checks and balances to ensure prompt and reliable information control.

2. Rules for managing risk of loss. Other system

We have established the Compliance and Risk Management Committee, with the president as Chair, to verify and Report all risks related to overall management and to discuss and decide on the measures and management to be implemented to avoid or reduce these risks, and to thoroughly strengthen internal controls and prevent misconduct and compliance related to overall operations, including financial Report. In addition, the Group has established subcommittees for business strategies, financial affairs, IT and administrative affairs, and compliance. These subcommittees are responsible for making aggressive proposals for individual risk-management strategies. In addition, Details discussed by the subcommittees are verified by the Compliance and Risk Management Committee based on the Compliance and Risk Management Committee Rules, as appropriate, and Report to Board of Directors according to the content. This structure ensures swift decision-making based on the assumption that risks occur.

3. System for ensuring efficient execution of Directors' duties

In order to ensure an efficient system for the execution of duties by directors, we are working to strengthen our management system in line with the expansion of our business scope, while swiftly implementing decision-making processes related to overall management. Directors comply with Board of Directors Regulations, the Administrative Authority Regulations, and the Regulations Governing Decision-Making, as well as the authority to make decisions on the execution of their duties. By organizing meetings such as the Group Executive Committee, the Company has established a system to improve the quality of supervises responsibilities related to the execution of their duties and to conduct efficient operations.

4. Structure to Ensure that the Executive Duties of Directors and Employees Comply with Legal Requirements and the Company's Articles of Incorporation

We have established the Group Internal Audit Office as an independent organization under the direct control of the president. The general manager of the Group Internal Audit Office, who is appointed by Board of Directors, formulates basic plans and implementation plans for internal Audit for the fiscal year in question in accordance with the Internal Audit Regulations, and formulates organizational and institutional Audit and operational Audit.

"Accounting Audit," "Affiliated Companies Audit," and "Computer System Audit" are implemented. Through this Audit Details, we seek to complement each other's Audit & Supervisory Board member and Accounting Auditor, and regularly conduct Report on a Board of Directors basis, including from a specialist perspective. In this way, we have established a system that ensures that the execution of duties by each director and all of our employees complies with various laws and the Articles of Incorporation.

5. System to ensure the appropriateness of operations at the corporate group consisting of the parent company and subsidiaries

- In order to promote the development and mutual benefits of our affiliated companies, we have established "Regulations Governing the Management of Affiliated Companies," and while respecting the management intentions of each affiliated company, we have dispatched directors and Audit & Supervisory Board members to each affiliated company according to their Details and stage, and have them concurrently serve as affiliated companies. In this way, we have established a system to Report our Board of Directors on the status of the operations of each affiliated company and the execution of duties by directors and others.

- In accordance with the Rules of the Compliance and Risk Management Committee and the Rules of Affiliated Companies, the Company has established a system for assessing and managing risks by ascertaining the management status and financial status of each affiliated company.

- The General Manager of the Group Corporate Planning Department dispatches personnel from each department to each affiliated company as needed to realize synergies. At the same time, the Board of Directors of each affiliated company and other affiliated companies are also actively exchanged at Board of Directors as appropriate. In this way, the Company has established a system to form the basis for the "recycling-oriented management" that we advocate, and to ensure the overall efficiency of management.

- The General Manager of the Group's Internal Audit Office and Audit & Supervisory Board Members regularly provide Audit to each affiliated company, these by ensuring that the execution of duties by directors and employees of each affiliated company complies with various laws and regulations and the Articles of Incorporation.

6. Audit matters concerning the employee in cases where the officer requests to appoint an employee to assist in his/her duties.

When Audit & Supervisory Board Members require employees to be assigned to assist in their duties, the Company decides on the specific Details regarding the assignment of such employees after due consideration of the views of Audit & Supervisory Board Members.

7. Matters concerning the independence of employees who should assist the duties of Audit Officer from the Directors and matters concerning Direction effectiveness of Audit & Supervisory Board Members. In order to ensure the independence of employees who should assist the duties of Audit & Supervisory Board Members, the employees who should assist Audit & Supervisory Board Members shall receive instructions and orders from Audit & Supervisory Board Members.

The Company will not receive a directive from Audit & Supervisory Board Member, and will decide on personnel matters such as changes in the relevant employee after fully considering the views of the Company's Audit & Supervisory Board Member.

8. System for directors and employees, etc. of the Company and its subsidiaries to report to the Company' Audit & Supervisory Board Members and other reporting systems to the Audit & Supervisory Board Members

We and our affiliated companies comply with Report of Audit & Supervisory Board matters, which are Report to Audit & Supervisory Board by all directors and employees without delay. These include legal matters, matters that seriously affect the management, financial condition and business performance of the entire Group, the status of implementation of internal Audit, and significant legal and statutory violations of the Articles of Incorporation. Our Audit & Supervisory Board Members attend all of our Board of Directors meetings, and when making objective judgments and checking, they actively exchange views based on their full work histories and knowledge. In this way, we strive to enhance the check-and-balance function of decision-making in general management.

9. System to ensure that persons who have Report as Audit & Supervisory Board Members do not receive unfavorable treatment due to such Report

We have established a system to ensure that Audit & Supervisory Board Members are not subject to dismissal or any other disadvantageous treatment for the reason that they have consulted or reported to a person who has made a Report.

10. Audit matters concerning the handling of expenses, etc. arising from the execution of the duties of officers.

In the event Audit directors request us to pay expenses in advance for the execution of their duties, the Company shall promptly dispose of such expenses or liabilities unless it is deemed that such expenses or liabilities are not required for the execution of the duties of the relevant Audit directors.

11. System to ensure effective Audit by Other Audit & Supervisory Board Members

We have established Audit & Supervisory Board Rules, and each Audit & Supervisory Board member listens to Audit Details of Report from each director and employee, as well as Audit and Accounting Auditor accounting Audit conducted by the Group Internal Audit Office, and holds interviews with each conducted by the accounting auditor, participates in the Board of Directors meetings of affiliates, & Supervisory Board member to ensure effective and efficient Audit with a view to the Group as a whole.

2. Basic Approach and Systems to Exclude Anti-Social Forces

(1) Basic Policy Pertaining to the Elimination of Antisocial Forces

Our basic policy is to respond decisively to anti-social forces that threaten the order and safety of society.

(2) Progress toward Elimination of Antisocial Forces

Under the guidance of our advisory Attorney-at-law, we actively participate in activities to eliminate organized crime groups. In addition, the Company has established a system for anti-social forces in Collaboration with the relevant police stations and external specialist organizations such as the Adviser Attorney-at-law. In order to prevent damage caused by anti-social forces, the NTA endeavors to gather information by participating in seminars and other events on anti-social forces held by the police and relevant organizations in peacetime. We also ask our business partners to exchange a Memorandum of Understanding on Insulations with Antisocial Forces, or include "Antisocial Forces Elimination Clauses" in various contract documents, in order to thoroughly implement measures to eliminate antisocial forces.

V. Other

1. Adoption of anti-takeover measures

Adoption of anti-takeover measures	No
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Supplementary Explanation

2. Other Matters Related to Corporate Governance Structure

[Overview of Timely Disclosure System]

Person responsible for handling information and department responsible for timely disclosure

We have appointed a Corporate Planning Division chief as Chief Information Officer and notified Tokyo Stock Exchange.

System for determining the disclosure information

The General Manager of the Corporate Planning Department of To appropriately disclose information about the Company to investors, etc. in a timely manner, the General Manager of Corporate Planning gathers information in gathers data through Board of Directors, departments, Subsidiaries and associates, and Collaboration.

1. With regard to Board of Directors, the Corporate Planning Department serves as Board of Directors Secretariat, which is capable of promptly disclosing resolutions in the event that items to be disclosed are subject to Board of Directors.

2. In the event of a disaster, we are able to ascertain and share the situation using a safety confirmation system that confirms the safety of all employees, and we are able to discuss countermeasures and disclose the results.

3. With regard to Collaboration with each department, we have a system in place through the Group-wide Executive Committee, which meets once a month, so that we can ascertain the relevant information in the items to be disclosed.

4. The Corporate Planning Department of Subsidiaries and associates is responsible for Collaboration with Subsidiaries and associates, and our directors, executive officers and Audit & Supervisory Board members are appointed as Board of Directors officers. They attend Subsidiaries and associates OOE meetings to disclose information and assess business performance. In addition, the president of Subsidiaries and associates holds quarterly meetings of the president of Board of Directors to provide Report and forecasts of operating results and financial condition. The president of all Group companies also holds regular meetings to ascertain business performance and other information.

Management system for important facts related to operations, etc.

We manage matters and information acquired by directors and employees pursuant to the confidentiality management regulations that are deemed to have a significant impact on our management.

1. The General Manager of the Group Corporate Planning Department and the Manager are designated as general managers of each department to prevent leakage of confidential matters.

2. The disposal and cancellation of confidential information are subject to the approval of the administrator.

3. Officers and employees are required to make confidentiality pledges. The Confidentiality Pledge is a Details that includes pledges related to post-retirement, and we are working to ensure that confidentiality is maintained.

Prevention of insider trading

We prevent insider trading by officers and employees based on insider trading prevention regulations. Chief Information Officer is designated as Corporate Planning Division manager, and the administration department is designated as the Group-wide Corporate Planning Department.

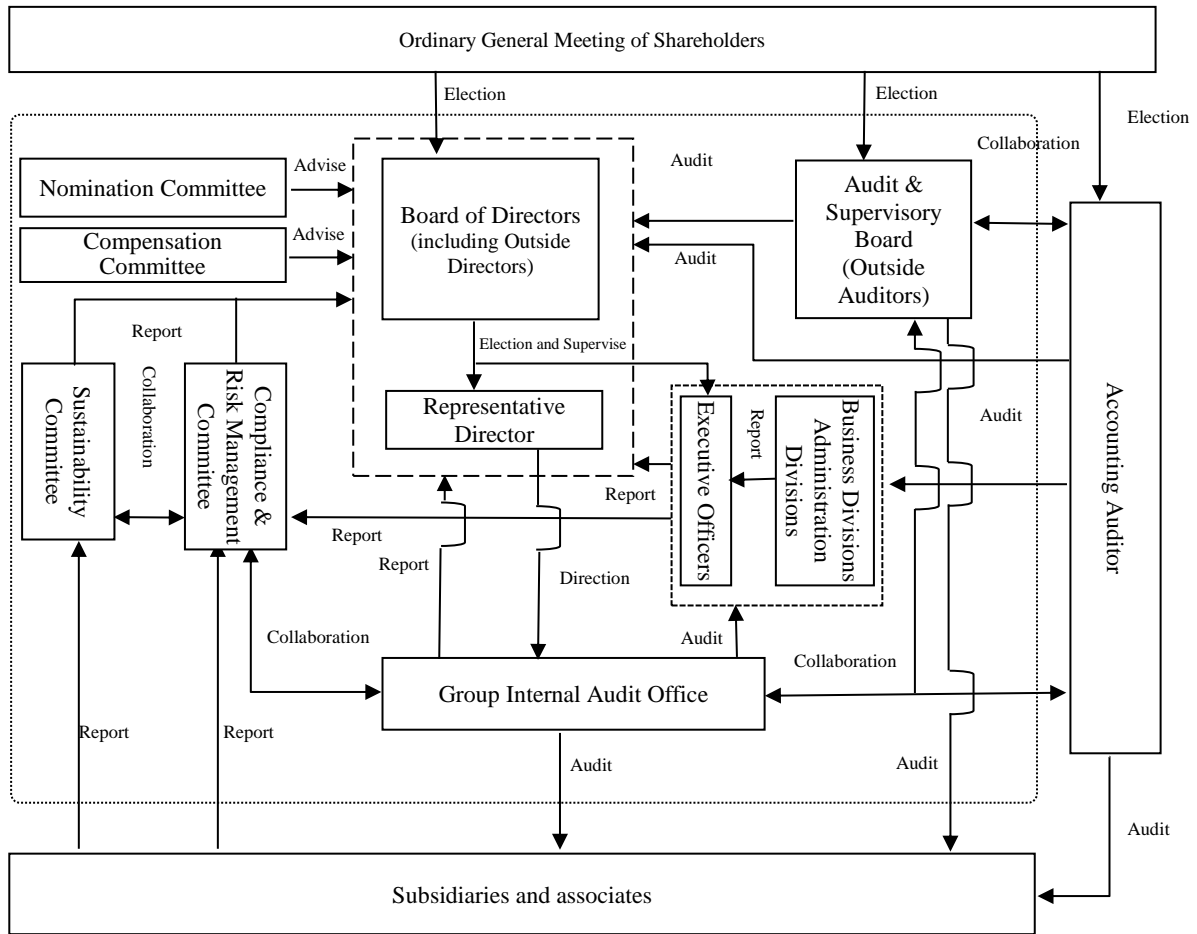
1. Insider trading prevention regulations are posted on the Company's intranet so that employees can view them at any time.

2. We conduct internal training for officers and employees. In addition, new employee training courses on compliance and insider trading are offered.

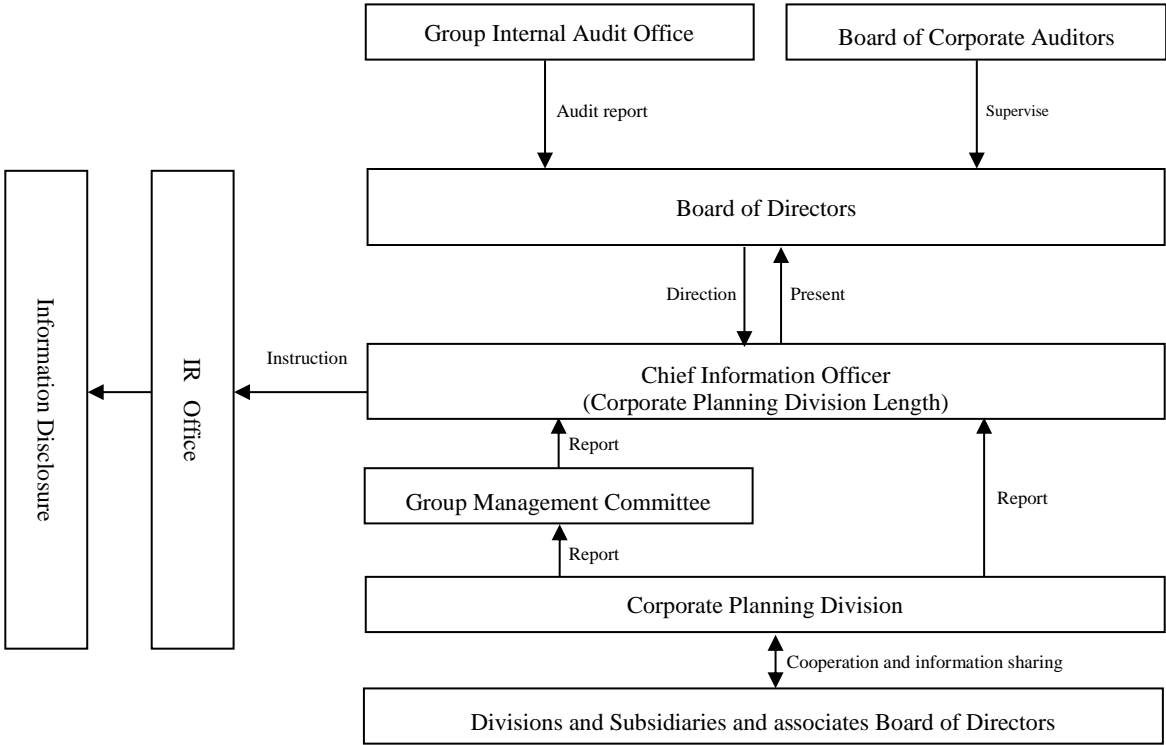
3. All purchases and sales of the Company's own shares are conducted through the supervisor with the approval of the Corporate Planning Department and Chief Information Officer.

Our corporate governance system and timely disclosure system are shown in the attached chart.

Corporate Governance System Diagram



Timely Disclosure System Diagram



Directors' Skill Matrix

Name Title	Corporate	Management	Financial affairs and accounting	Legal affairs and Risk Management	Sales and Marketing	Personnel and labor management	IT	Global business	Nomination Committee	Compensation Committee
Kazuichi Shimada	Representative Director, Group CEO, Group COO and President Executive Officer President Executive Officers	•	•	•	•	•		•	•	•
Masashi Yamamoto	Director, Group CFO, Managing Executive Officer and Executive General Manager of Corporate Planning Headquarters		•	•		•				
Kenji Kawada	Outside Director	•	•	•		•	•		Chairperson	•
Chiaki Tsuji	Outside Director			•				•	•	•
Keiko Yamahira	Outside Director	•	•	•	•	•			•	Chairperson
Naohito Yamagishi	Outside Director			•		•			•	•