

MIRARTH HOLDINGS, Inc.

Integrated Report 2022

Fiscal year ended March 31, 2022



MIRARTH
HOLDINGS

From Takara Leben to MIRARTH HOLDINGS

Takara Leben Co., Ltd. transitioned to a holding company structure through an absorption-type company split on October 1, 2022, and changed its name to MIRARTH HOLDINGS, Inc.

The Group has continued to grow as a general real estate business developer by providing customers with ideal, affordable housing that anyone can buy with confidence and peace of mind. Leveraging the strengths built on our real estate business, we will endeavor to secure sustainable growth by nurturing the energy business and asset management business into second and third pillars of business; evolving into a company that makes the future of people and the Earth happier.

Our Purpose

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

Our Values

Passion & Inspiration

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

Sustainability

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

Value Creation

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

Diversity & Co-creation

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

Integrity & Trust

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



MIRARTH

About Our New Name

MIRARTH Mirai (Future) + Earth

This new moniker embodies our desire to evolve into a company that makes a happier future for the Earth and its people by contributing to all communities everywhere.



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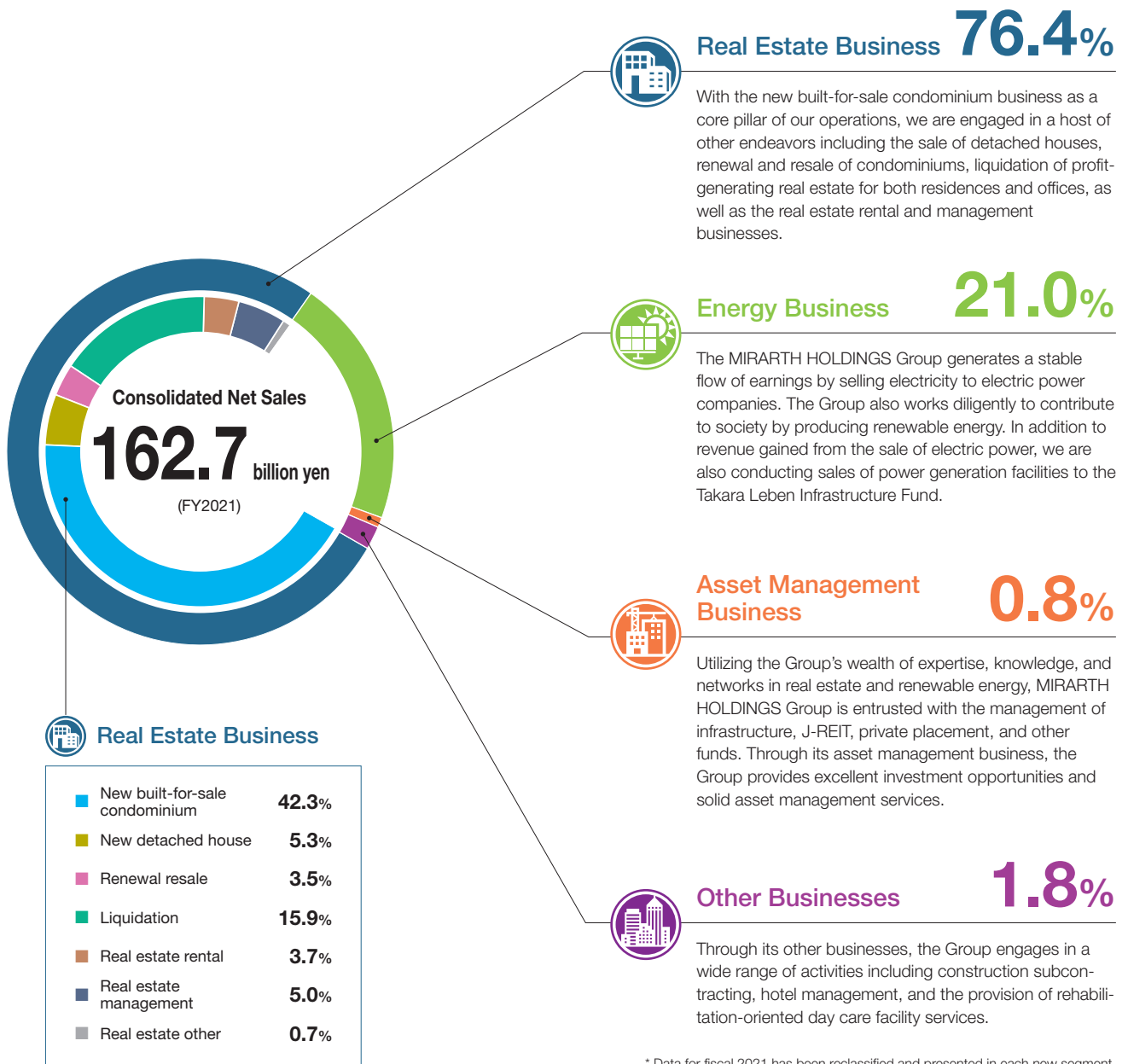
Editorial Policy and Cautionary Statements Regarding Forward-Looking Statements

This report, which for the most part provides details of the Takara Leben Group's (currently MIRARTH HOLDINGS Group) operations in fiscal 2021, the fiscal year ended March 31, 2022, has been designed to provide stakeholders with a deeper understanding of our business activities, management strategies, performance, and other non-financial information, including interaction with society and the environment.

This document was prepared to provide information regarding the Company's consolidated results in fiscal 2021 and should not be construed as a solicitation for investment in securities issued by MIRARTH HOLDINGS, Inc. The information provided in this report is fundamentally based on data available as of March 31, 2022. Any forward-looking statements including opinions and forecasts are based on the best judgments of management as of the time this report was prepared. Accordingly, MIRARTH HOLDINGS does not guarantee or promise that any forward-looking statements will be realized or achieved or provide any assurance as to the accuracy or integrity of information. Moreover, the content of this report is subject to change without prior notice.

At a Glance

From fiscal 2022, the MIRARTH HOLDINGS Group reorganized its operations into the four business segments, real estate, energy, asset management, and other businesses. Going forward, we will work to build a well-balanced portfolio by expanding our energy and asset management businesses while maintaining our real estate business as a core pillar of operations.



Flow Businesses

The core of flow businesses is the new built-for-sale condominium business, which mainly targets families, dual-income and single-person households in metropolitan areas such as the Tokyo metropolitan area, and active seniors in regional city centers. In addition, the MIRARTH HOLDINGS Group is engaged in renovating and redeveloping buildings in partnership with government.

Stock and Fee-Based Businesses

In the stock business, the MIRARTH HOLDINGS Group is building stable revenue from rent, and revenue generated from over 60,000 properties managed on consignment. In addition, in the fee-based business, at two listed investment corporations, investment management compensation was increased and thereby established a system that does not rely on flow businesses.

MIRARTH HOLDINGS Group by the Numbers

2021: Nationwide ranking of condominium units supplied sold by developer group

5th (2021)

* Source: Real Estate Economic Institute Co., Ltd.

This ranking was first collated as a group in 2021. The Takara Leben Group (now MIRARTH HOLDINGS Group), which comprised the three companies: Takara Leben Co., Ltd., Takara Leben Tohoku Co., Ltd., and Takara Leben West Japan Co., Ltd., ranked 5th with a total of 2,472 condominium units. (Takara Leben ranked 11th in the number of condominium units by seller/operator in 2020.)

Ranking: Top 10

| Ranking | 2021 Ranking | (Units) |
|----------|---------------------------|--------------|
| 1 | Open House Group | 5,423 |
| 2 | Daiwa House Group | 4,045 |
| 3 | Nomura Real Estate Group | 4,014 |
| 4 | Mitsui Fudosan Group | 3,982 |
| 5 | Takara Leben Group | 2,472 |
| 6 | Anabuki Group | 2,350 |
| 7 | Mitsubishi Estate Group | 2,214 |
| 8 | Sumitomo Realty Group | 2,211 |
| 9 | Mori Trust Group | 2,198 |
| 10 | Iida Group | 2,086 |

New built-for-sale condominium supply areas

Nationwide areas expanded to **35** prefectures

The MIRARTH HOLDINGS Group aims to expand its supply area. To this end, the Group will strengthen its system for purchasing land throughout Japan by proactively establishing bases in areas where it does not currently have a presence. We newly expanded into Kyoto prefecture in fiscal 2021.

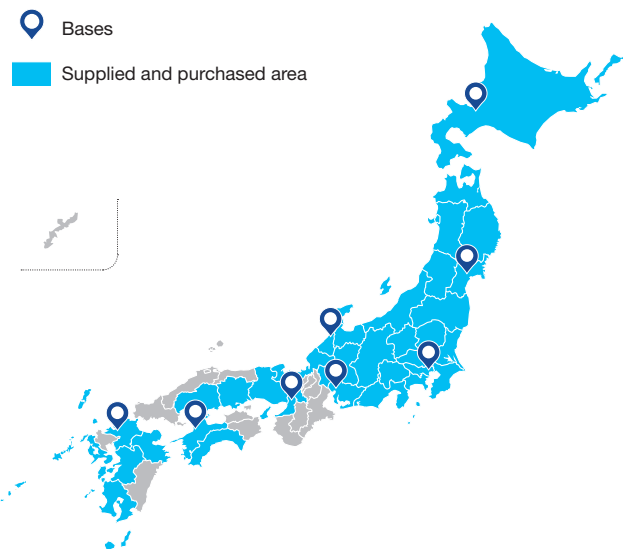
Cumulative number of new built-for-sale condominium units supplied nationwide

36,638 units (As of March 31, 2022)

The MIRARTH HOLDINGS Group's supply area extends over roughly 30 cities of the approximately 280 cities in Japan with a population of 100,000. We will continue to actively participate in local development projects to contribute to the revitalization of the regions and increase the number of cities in our supply area.

New built-for-sale condominium nationwide network

LEBEN THE LEBEN NEBEL



Number of managed housing units

69,335 units (As of March 31, 2022)

Rental revenues

¥5.9 billion (FY2021)

Current power generation

310 MW (As of March 31, 2022)

* Including wholesale portion

History of the MIRARTH HOLDINGS Group

Established as Takara Komuten Co., Ltd. in 1972, the MIRARTH HOLDINGS Group celebrated its 50th anniversary in September 2022. The Group began selling proprietarily branded condominiums in the 1990s and has steadily increased the number of units supplied as well as net sales by quickly responding to changes in customers' lifestyles and the demands of the times. From October 2022, we as MIRARTH HOLDINGS, a company that makes the future of people and the Earth happier, will work toward creating new value.

Real Estate-Related Milestones

1970s

New availability of home loans

1980s

Land prices soared in the bubble economy

1990s

After the bubble bursts, corporate factories and housing were sold off and the development of condominium buildings on vacant land moved forward

2001

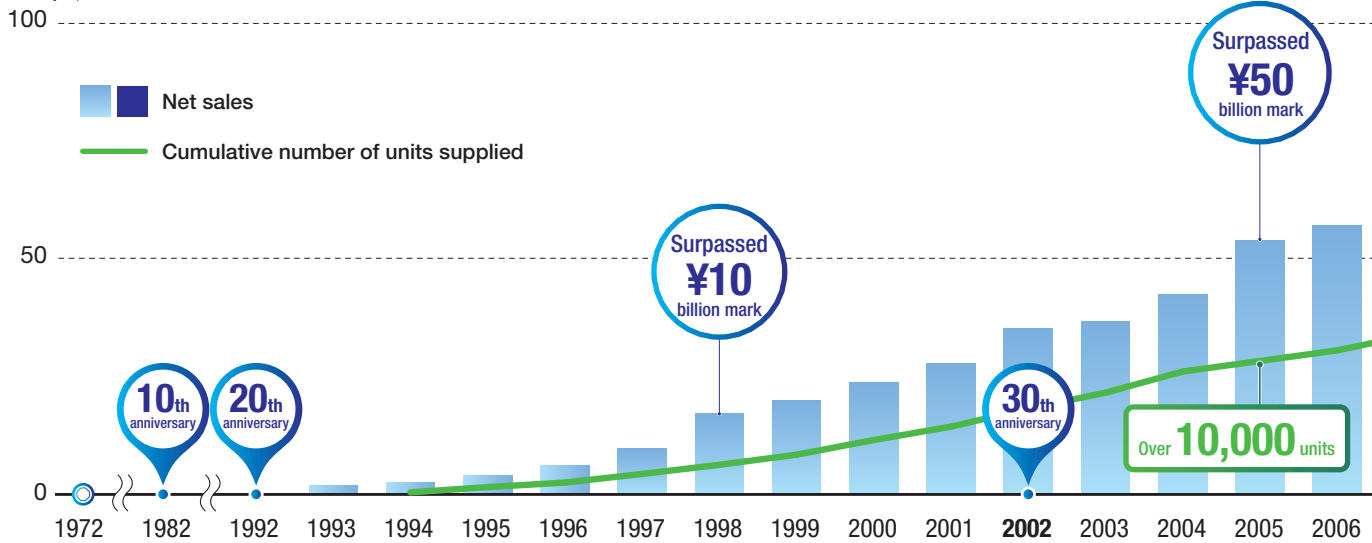
The J-REIT market was established enabling real estate investment trusts to list on the Tokyo Stock Exchange for the first time

2006

With formulation and enactment of the Basic Act for Housing, Japan's policy shifted to encourage use of existing housing stock with refurbishment and renovation

Net sales and cumulative number of new built-for-sale condominium units supplied

(Billions of yen)



History

1972 Established as Takara Komuten Co., Ltd. in Yamato-cho, Itabashi-ku



1975 Purchased the Company's head office to the Nakaitabashi Head Office Buildings (Dai-ichi Takara Building)

1982 Launched the real estate rental business

1986 Established Takara Jyuhan Co., Ltd. in an effort to expand sales and intermediary operations

1988 Established Takara Management Co., Ltd. as a real estate management company

1994 Commenced sales of the "Leben Heim" series of condominiums



1996 Changed the name of Takara Management Co., Ltd. to Leben Community Co., Ltd.

1999 Undertook the absorption-type merger of Takara Jyuhan Co., Ltd.

2000 Changed the name of Takara Komuten Co., Ltd. to Takara Leben Co., Ltd.



2001 Relocated the Company's head office to Ikebukuro following completion of the Takara Leben Head Office Building
Listed on the JASDAQ market



Established TAFUKO Co., Ltd. (currently Leben Zestock Co., Ltd.)

2003 Listed on the Second Section of the Tokyo Stock Exchange

2004 Listed on the First Section of the Tokyo Stock Exchange

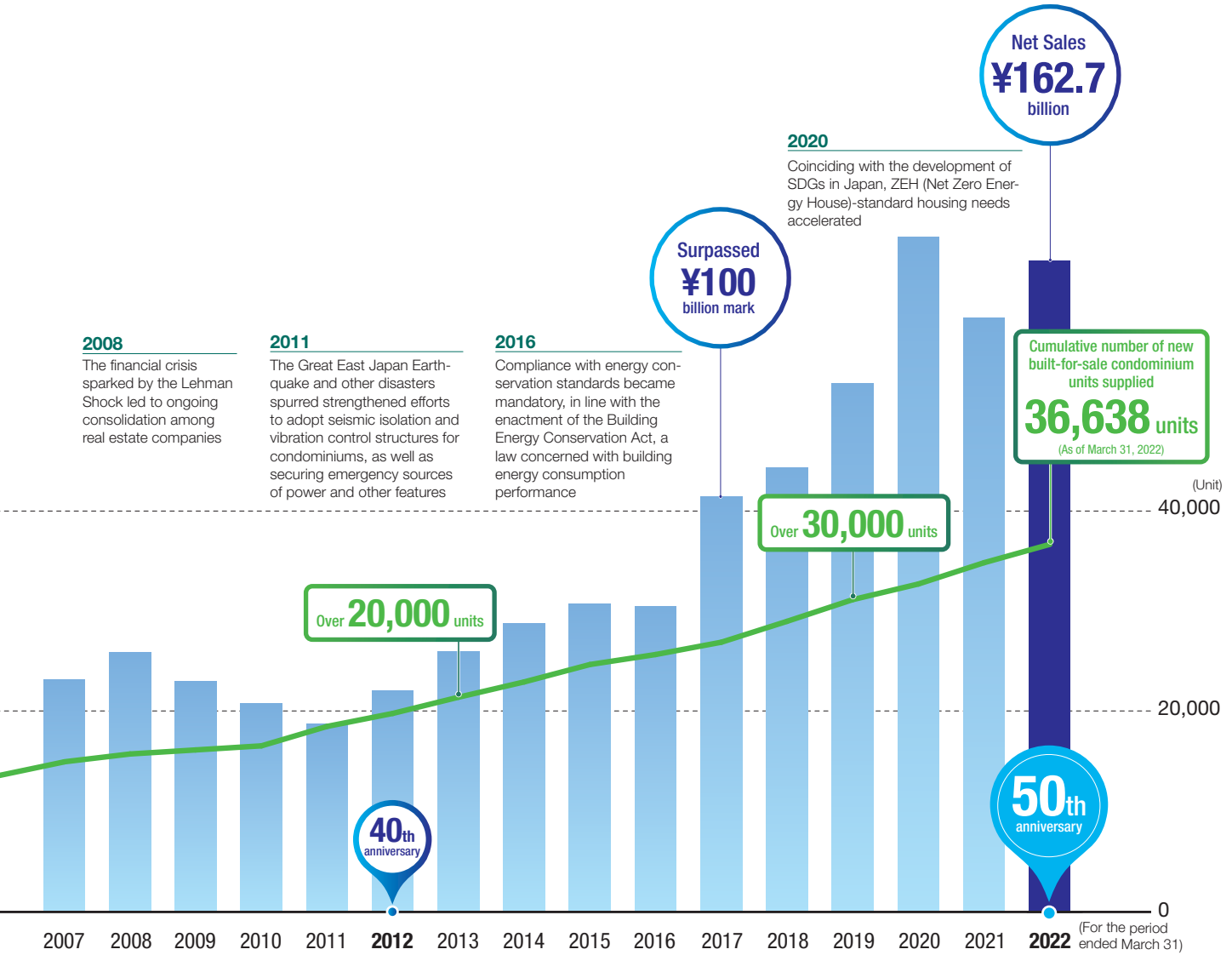


2006 Relocated the Company's head office to the Shinjuku Sumitomo Building

Origin of "Takara Leben": The "Takara" that we have used in our company name since the days of "Takara Komuten" refers to "treasure," as in a home is the treasure of a lifetime. The word "leben" added following the change in our company name is German for "life, lifestyle and living," which are keywords essential when discussing a home. This represents the concept of hoping to offer homes that are the treasure of a lifetime to as many people as possible.



Harmonic Circle: The Group's symbol is the representing customers, partners, and employees; expanding organically to create harmony while hope of carrying out our corporate vision to "THINK resonating with one another. The gradation of and sincerity pursued by everyone in the Group.



2008 Launched the new Takara Leben brand



2010 Launched the detached house business with detached house built by the Company in its own right

2011 Commenced sales of custom-built houses; exhibited products at the Tachikawa Housing Exhibition Center

2012 Launched the new LEBEN condominium brand



Made the real estate rental and management business Takara Housing Co., Ltd. (formerly Takara Property Co., Ltd.) into a subsidiary company

2013 Entered the electric power generation business



Established Takara Asset Management Co., Ltd. as an investment management business

2014 Set up the Hokuriku Office

Made Oasis Co., Ltd. (currently Takara Leben Realnet Co., Ltd.) into a subsidiary company

Made Nikko Kensetsu Co., Ltd. (currently Leben Home Build Co., Ltd.) into a subsidiary company

2015 Made Live Net Home Co., Ltd. (formerly Takara Leben Tohoku Co., Ltd.) into a subsidiary company; relocated to Sendai City, Miyagi Prefecture

Made Jyutakujiyouhoukan Co., Ltd. (formerly Takara Leben West Japan Co., Ltd.) into a subsidiary company

2016 Made Nikko Property Co., Ltd. (currently Leben Trust Co., Ltd.) into a subsidiary company

Completed steps for Takara Leben Infrastructure Fund to be the first to list on the Tokyo Stock Exchange Infrastructure Fund Market

2017 Launched the new condominium brand "NEBEL"



Set up the Osaka Branch and the Sapporo Office
Relocated the Company's head office to the TEKKO BUILDING in Marunouchi, Chiyoda-ku

2018 Made PAG Investment Management Ltd. (currently Takara PAG Real Estate Advisory Ltd.) into a subsidiary company

Established representative office of TAKARA LEBEN CO., LTD. in Hanoi City
Takara Leben Real Estate Investment Corporation was listed on the Tokyo Stock Exchange Real Estate Investment Trust Securities Market

2019 Leben Trust Co., Ltd. merged (absorption-type) with Takara Property Co., Ltd.

2021 Established Leben Funding LLC. Made ACA Clean Energy Co., Ltd. (currently Leben Clean Energy Co., Ltd.) a subsidiary Set up the Nagoya Office

2022 Established Takara Leben (Thailand) Co., Ltd.

Transitioned to a holding company structure and changed its name to MIRARTH HOLDINGS, Inc.

MIRARTH

Takara Leben West Japan Co., Ltd. changed its name to Takara Leben Co., Ltd., took over a portion of the business of the former Takara Leben, and completed the absorption-type merger of Takara Leben Tohoku Co., Ltd.

Harmonic Circle, which is comprised of three rings, expressing how they are linked to one another; supporting each other. The three rings convey our "HAPPINESS AND MAKE THE HAPPINESS" while striking blue to deep navy expresses the intelligence



50th Anniversary logo: As we celebrated the 50th anniversary of our founding in September 2022, we created a commemorative logo that incorporates a Harmonic Circle and the impression of a city skyline into the design. The circle symbolizes the MIRARTH HOLDINGS Group's gentle, sun-like embrace of the city, while the five lines underneath express its achievements, accumulated over the past 50 years, which have led to the further prosperity of cities and the Group.

Value Creation Process

The MIRARTH HOLDINGS Group has continued to achieve sustainable growth by providing products and services that address diversifying housing needs. Through the transition to a holding company, we will endeavor to provide new value by leveraging the strengths of the Group built up over a number of years and by harnessing Group synergies.

Materiality

External Environment Awareness

Details P.10-11

Market environment

- Changes in the direction of economic policy
- Changes in lifestyles
- Segmentation of housing needs
- Deterioration in market conditions including political instability and economic recession
- Low birthrate coupled with an aging and declining population
- Requests by power companies to control output

Business activities

- Surge in land prices as well as raw material and construction (labor) costs
- Difficulty in recruiting human resources, shortage of labor, and decline in employee quality

Climate change, natural disasters, etc.

- Increasingly serious global environmental issues
- Incidence of natural disasters, accidents, etc.
- Acts of terrorism, riots, and war
- Spread of infectious diseases

Governance, etc.

- Incidence of unauthorized access and cyberattacks
- Insufficient internal control functions

Input

Financial Capital

Ability to generate stable cash flow

- Shareholders' equity ¥58.5 billion
- Interest-bearing debt ¥127.9 billion
(As of March 31, 2022)

Human Capital

Diverse human resources that possess expertise

- No. of employees 343
- Real estate notaries 226
- First-class registered architects 16
- Redevelopment planners 3
- Training hours per employee 17.9

* Scope of calculation: Takara Leben

- No. of employees (consolidated) 1,200
(As of March 31, 2022)

Intellectual Capital

Technologies and expertise that respond to customer requests

- No. of trademark registrations 26
(As of March 31, 2022)
- Proprietarily branded condominiums LEBEN and NEBEL

Social and Relationship Capital

Trust, reliability and a collaborative framework

- Group companies 11
- Business locations 9
(Including head office and overseas locations)

(As of March 31, 2022)

Natural Capital

Effective use of resources

- Land and the global environment
- Nationwide power generation facilities

Strengths

Development Capabilities



Planning Capabilities



Sales Capabilities



Managerial Capabilities



Value Chain

Real Estate-Related Businesses



Businesses derived from condominiums equipped with solar power systems

Businesses derived from real estate rental business

7 Elements of the Medium-Term Management Plan Details P.23



Foundation supporting value creation

Human resources
P.38-41

Partners (customers and local communities)
P.42-45

Details P.12-13

Output

Outcome

Financial Capital

A sound financial foundation that enables further investments for growth

- TSR over the past 10 years 116.8%
- Dividend per share ¥18 annually (FY2021)

Human Capital

Encouraging the strong roles of diverse employees

- Acquisitions by type of qualification

| | |
|-----------------------------------|-----|
| Real estate notaries | 226 |
| First-class registered architects | 16 |
| Redevelopment planners | 3 |
- Percentage of women in management 7.34%
- Percentage of persons with disabilities employed 2.70%

* Scope of calculation: Takara Leben (As of March 31, 2022)

Intellectual Capital

Advanced technologies and services that respond to diversifying lifestyles

- Housing performance evaluation report acquisition rate 100%
- Energy-saving rank certification rate (Flat 35 for detached houses) 100% (FY2021)

Social and Relationship Capital

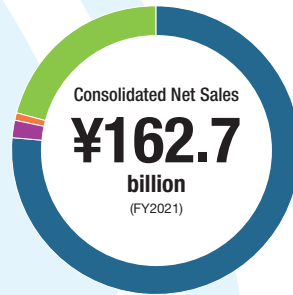
Building regional revitalization and relationships of trust for the long term with all stakeholders

- No. of new built-for-sale condominium contracts 2,258
- Increase in the number of units under management 3,298 units (FY2021)

Natural Capital

Effective use of resources and initiatives for renewable energy to reduce environmental impact

- Increase in renewable energy generation capacity 104MW
- Greenhouse gas emissions 2,023 t-CO₂
- Energy consumption 1,131.9 kL (crude oil equivalent) (FY2021)



| | |
|-----------------------------|----------------|
| ■ Real Estate Business | ¥124.2 billion |
| ■ Energy Business | ¥34.2 billion |
| ■ Asset Management Business | ¥1.3 billion |
| ■ Other Businesses | ¥2.8 billion |

Details P.27-35

KPI

Number of units sold

- New built-for-sale condominiums **1,830 units** (FY2021)
- New built-for-sale detached houses **180 units** (FY2021)

Cumulative number of units supplied **36,638 units**

*New built-for-sale condominiums (As of March 31, 2022)

Number of managed housing units **69,335 units** (As of March 31, 2022)Rental revenues **¥5.9 billion** (FY2021)Current power generation **310MW**

*Including wholesale portion (As of March 31, 2022)

Facilities management



Mega-solar

Infrastructure funds management



Repair



Brokerage



Repair



Sales



REIT and private fund management



Rental management

5.

Improvement of productivity and creation of new services through promotion of DX



6.

Proactive ESG considerations



7.

Personnel development and establishment of the rewarding workplace environment

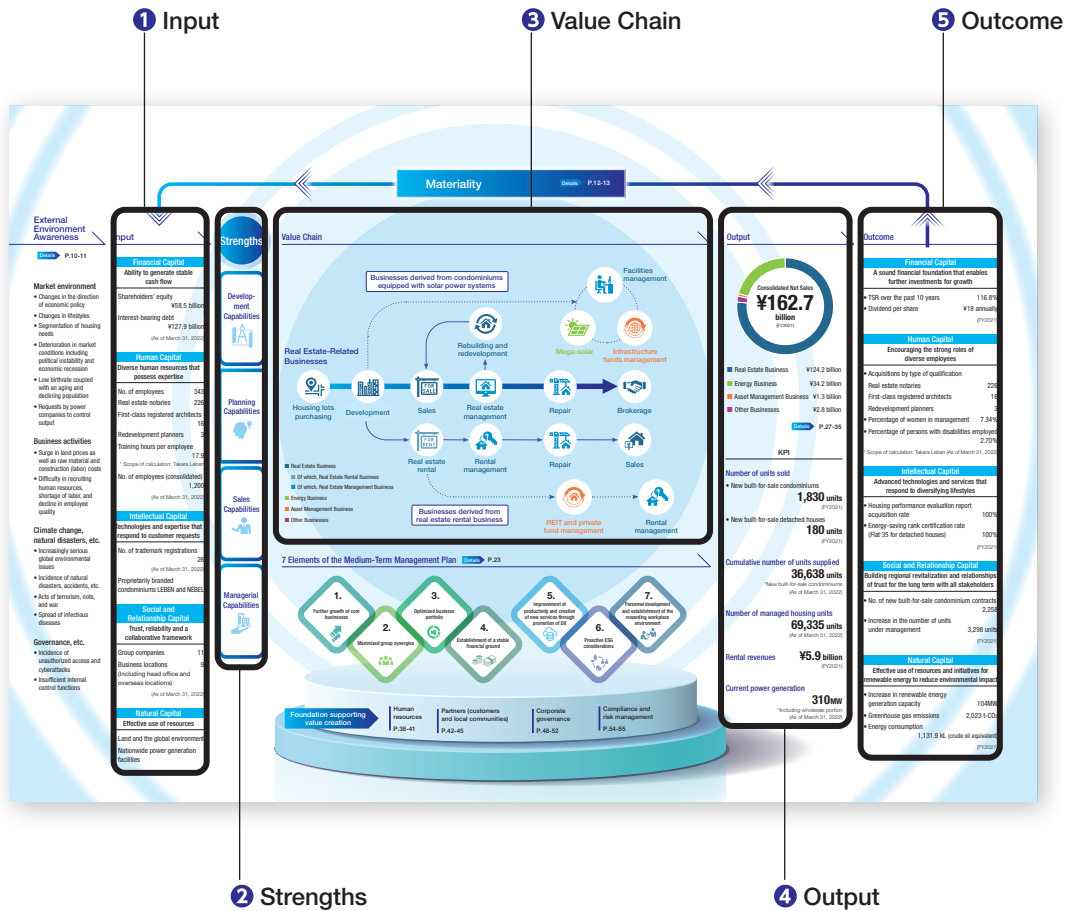


Corporate governance
P.48-52

Compliance and risk management
P.54-55

Explanation of the Value Creation Process

In order to contribute to the creation of cities of the future the MIRARTH HOLDINGS Group leverages our four strengths in advancing our transition to a “future environment design company” and by coordinating the businesses of each Group company. By going beyond the confines of a general real estate business developer, we design “happiness” for society and people as a means of continuously improving our corporate value.



1 Input

Financial Capital: The MIRARTH HOLDINGS Group has established a robust financial foundation for supporting sustainable growth, and strives to secure a balanced, stable financial capacity that will enable us to make agile investments according to the risks and opportunities that arise from future changes in the environment. The Group is also working to diversify our financing methods by strengthening our relationships with local financial institutions and utilizing sustainability loans.

Human Capital: One of the most important management resources for the MIRARTH HOLDINGS Group is our human capital. In order to address a dramatically changing business environment, the Group hires and trains talented human resources, endeavors to secure diversity, and strives to build a cohesive organization that promotes purpose and values.

Intellectual Capital: The technologies and know-how accumulated throughout the Group to address customer needs serve as the well-spring for creating business value. With our multiple original condominium brands, we endeavor to set our-

selves apart from our competitors using a superior level of design capability and a high-quality management system, and are working to enhance brand strength through aggressive advertising.

Social and Relationship Capital: The ten major subsidiaries that operate under the MIRARTH HOLDINGS Group umbrella leverage their respective business strengths while mutually demonstrating synergy. Each Group company cooperates organically, and together with customers, partner companies, and local communities, contributes to the solutions for society’s challenges through their business activities.

Natural Capital: The Group has built up an extensive track-record ahead of our competitors in businesses that use solar power, including establishing Takara Leben Infrastructure Fund as the first listed infrastructure fund in Japan and being one of the first to supply solar power generating condominiums. We contribute to the realization of a carbon neutral society by promoting the use of renewable energy.

2 Strengths

Development Capabilities: Leveraging the real estate network built by the Group over the past 50 years, we possess “housing lot purchasing capabilities” and “development capabilities” that address a wide range of assets, including new built-for-sale condominiums, profit-generating real estate, and solar power generation facilities, in a way that initiates from our value chain.

Planning Capabilities: As part of our new built-for-sale condominium, profit-generating real estate development, and other businesses, the Group undertakes every step of the process in an integrated manner, from purchase to product planning and sales. This approach allows us to accurately capture the characteristics and needs of the area, and to rapidly plan products with high added-value that offer both a superior level of design characteristics and habitability. In October 2021, we received the GOOD DESIGN AWARD in both the Housing (Medium/Large Sized Housing Complex) category and in the Housing Machines/Fixtures category.

Sales Capabilities: With eight locations throughout Japan, the Group possesses an extensive network with the ability to serve customers in both the Tokyo Metropolitan Area and in regional areas. We maintain an uncompromising commitment to selling condominiums ourselves, and engage in sales rooted in the region, which has allowed us to build a strong sales track-record based on our know-how, accumulated over the years.

Managerial Capabilities: The Group employs “SQMS®,” a proprietary service quality management system that applies the ISO 9001 international standard for quality management systems to deliver a high level of management quality (See p. 43). We are expanding the number of units under management by leveraging our accumulated management know-how and by acquiring many replacement properties.

3 Value Chain

The MIRARTH HOLDINGS Group is building a business model that goes beyond the real estate business to leverage synergy between the Group's businesses. This effort is intended to contribute more broadly to society as we work to become a company that makes the future of people and the Earth happier.

The Group internally engages in every aspect of the real estate business, from housing lot purchase to development, sales, real estate management, repair, and brokerage. The Group assigns persons responsible for purchasing housing lots to each region throughout Japan so that we can acquire the best properties available. The Group has been developing properties that are among the first to address the demands of society, such as supplying urban-style compact condominiums and ZEH condominiums with low environmental impacts. Moreover, we are now focusing our efforts on managing property contracts of other companies by promoting the advantages of our management service quality based on SQMS®.

Additionally, we have been engaged in the energy business since 2013 by leveraging both our technologies acquired through the development of solar power generating condominiums equipped with solar panels on their rooftops and our devel-

opment know-how acquired as a general real estate business developer. In this business, we are mainly involved in the development, sale, and operations of solar power generation facilities, and sell facilities to the Takara Leben Infrastructure Fund, which was formed by the Group. In response to the recent collapse in electricity purchase prices under the feed-in tariff system, we have begun promoting new business ventures, such as power-purchasing agreements (PPA) and micro grids, as well as focusing our efforts on developing wind power, biomass power, and other types of renewable energy facilities in addition to solar power facilities.

In the asset management business, along with securing stable profits through the long-term holding of profit-generating real estate that we have developed, we are building a balanced investment and return cycle by managing these properties as assets. The MIRARTH HOLDINGS Group serves as the main sponsor for listed investment funds to which Group companies have outsourced asset management, and supports these funds' efforts to up-scale by selling them the properties we have developed.

4 Output

The MIRARTH HOLDINGS Group primarily engages in the real estate, energy, and asset management businesses that provide lifestyles for people and local communities. In April 2022, to achieve profitability in each segment, clarify the business

responsibilities, and effectively utilize management resources, we revised the business segments. As the Group's main area of focus, the real estate business will continue to be managed under the leadership of Takara Leben, a Group company.

5 Outcome

The MIRARTH HOLDINGS Group combines the real estate, energy, finance, and other businesses in to meet the diversifying housing needs, and to contribute to the solutions for soci-

ety's challenges. We aim to achieve perpetual growth by working towards the cities of the future through co-creation with our various stakeholders.

Risk & Opportunity

As the risks that could have a significant impact on corporate activities have been diversifying and becoming increasingly complex on a daily basis, the Group predicts events that may occur in the future and identifies risks and opportunities in an effort to help resolve social issues and create value.



















| | Social issues and external environment | Risks | Opportunities |
|---|--|---|---|
| Market environment | <ul style="list-style-type: none"> Changes in the direction of economic policy (Stricter laws and regulations, changes in legal interpretation and management policy) | <ul style="list-style-type: none"> Decreased number of commercialization projects due to subsidy system revisions Lost business opportunities due to changes in FIT Stricter regulations for energy conservation Strengthening of regulations on building standards | <ul style="list-style-type: none"> Increase in commercialization projects due to utilization of subsidy system Ongoing low-interest housing loans, eased tax reduction requirements Introduction of new systems to replace FIT |
| | <ul style="list-style-type: none"> Changes in lifestyles (Growth in DINKs, dual-income households, seniors relocating to condominiums, development of telework) Diversification of housing needs | <ul style="list-style-type: none"> Obsolescence of products and/or services | <ul style="list-style-type: none"> Capture demand generation/growth opportunities via new products and services Expansion in demand for compact condominiums Expansion of business areas |
| | <ul style="list-style-type: none"> Deterioration in market conditions including political instability and economic recession | <ul style="list-style-type: none"> Increased funding costs due to changes in financial institution lending attitudes and financing market conditions Intensified competition including new entrants, and rapid environmental changes Deteriorating supplier operating conditions Booking of impairment losses | <ul style="list-style-type: none"> Increase in opportunities to acquire land and properties Increase in M&A opportunities |
| | <ul style="list-style-type: none"> Low birthrate coupled with an aging and declining population | <ul style="list-style-type: none"> Decreasing demand for housing | <ul style="list-style-type: none"> Increase in demand for condominiums among seniors Increase in opportunities for proposing solutions to vacant house issues and aging buildings Development of compact cities |
| | <ul style="list-style-type: none"> Requests by power companies to control output | <ul style="list-style-type: none"> Decline in electricity sales revenue | <ul style="list-style-type: none"> Expansion of Corporate PPA |
| Business activities | <ul style="list-style-type: none"> Surge in land prices as well as raw material and construction (labor) costs | <ul style="list-style-type: none"> Soaring procurement prices Decrease in profit Slower sales due to higher selling prices | |
| | <ul style="list-style-type: none"> Difficulty in recruiting human resources, shortage of labor, and decline in employee quality | <ul style="list-style-type: none"> Lower product and service quality Incurring of compensation costs, brand image deterioration Occurrence of occupational accidents | |
| Climate change, natural disasters, etc. | <ul style="list-style-type: none"> Increasingly serious global environmental issues | <ul style="list-style-type: none"> Stricter regulations for greenhouse gas usage/ emissions and energy conservation More stringent building standards due to stricter laws and regulations | <ul style="list-style-type: none"> Invigoration of renewable energy market due to growing interest in environmental issues |
| | <ul style="list-style-type: none"> Incidence of natural disasters, accidents, and other incidents | <ul style="list-style-type: none"> Raw materials/component supply shortages Asset damage Disruption to Group business facilities, supply chains, and customers | <ul style="list-style-type: none"> Increase in properties needing large-scale renovation Increase in interest in disaster-resistant buildings |
| | <ul style="list-style-type: none"> Acts of terrorism, riots, and war | <ul style="list-style-type: none"> Disruption to Group business facilities, supply chains, and customers Geopolitical risk Supply chain fragmentation | |
| | <ul style="list-style-type: none"> Spread of infectious diseases | <ul style="list-style-type: none"> Disruption to Group business facilities, supply chains, and customers Disruption to business operations Decline in hotel and tenant occupancy rates | <ul style="list-style-type: none"> Creating demand for new products and services to meet changing lifestyles |
| Governance, etc. | <ul style="list-style-type: none"> Incidence of unauthorized access and cyberattacks | <ul style="list-style-type: none"> Leakage of confidential information and stoppages of production lines and logistics systems Payment of damages and fines, incurring countermeasures expenses | |
| | <ul style="list-style-type: none"> Insufficient internal control function | <ul style="list-style-type: none"> Improper conduct, leakage of confidential information Payment of damages and fines, incurring countermeasures expenses Delay in response to global environmental problems | |

● Creating Lifestyles with Value
 ● Forming Communities
 ● Providing Comfortable Spaces of High Quality
 ● Developing Environments and Cultures

| Response | Relevant materiality | Related medium-term management plan strategies |
|---|---|--|
| <ul style="list-style-type: none"> Pursue new businesses such as PPA Strengthening of information-gathering activities | <ul style="list-style-type: none"> Responses to changes to business models brought by an ageing society and depopulation Urban development and creating towns Providing buildings and spaces that consider the environment and culture Initiatives for renewable energy | <ol style="list-style-type: none"> Further growth of core businesses Maximized group synergies |
| <ul style="list-style-type: none"> Reflection of purchaser needs Diverse product offerings Supply compact condominiums | <ul style="list-style-type: none"> Support for diversifying lifestyles and globalization Urban development and creating towns Improving customer satisfaction Improving value of buildings | <ol style="list-style-type: none"> Further growth of core businesses Maximized group synergies Improvement of productivity and creation of new services through promotion of DX |
| <ul style="list-style-type: none"> Redouble efforts to diversify financing methods Implement ongoing performance monitoring, countermeasures Strengthening of financial management Strengthening of overseas business | <ul style="list-style-type: none"> Support for diversifying lifestyles and globalization Providing safe, secure products and services Improving customer satisfaction Improving value of buildings | <ol style="list-style-type: none"> Optimized business portfolio Establishment of a stable financial ground |
| <ul style="list-style-type: none"> Supply condominiums in the center of regional cities Supply compact condominiums Strengthening of overseas business | <ul style="list-style-type: none"> Support for diversifying lifestyles and globalization Responses to changes to business models brought by an ageing society and depopulation Urban development and creating towns | <ol style="list-style-type: none"> Further growth of core businesses Optimized business portfolio |
| <ul style="list-style-type: none"> Implementation of area strategies in energy business | <ul style="list-style-type: none"> Initiatives for renewable energy Effective use of resources | <ol style="list-style-type: none"> Further growth of core businesses Maximized group synergies |
| <ul style="list-style-type: none"> Stabilize procurement prices mainly by diversifying suppliers, decentralizing on a regional basis, and using long-term contracts | <ul style="list-style-type: none"> Improving customer satisfaction Improving value of buildings | <ol style="list-style-type: none"> Further growth of core businesses Maximized group synergies |
| <ul style="list-style-type: none"> Implementation of activities designed to improve employee loyalty Personnel system reform, enhancement and upgrading of various training systems Implementation of branding penetration measures Housing performance evaluation report acquisition Holding Safety Conferences, building safe implementation management systems | <ul style="list-style-type: none"> Promoting compliance Employee health management Encouraging employment of diverse human resources Providing safe, secure products and services Improving value of buildings | <ol style="list-style-type: none"> Proactive ESG considerations Personnel development and establishment of the rewarding workplace environment |
| <ul style="list-style-type: none"> Development of renewable energy generation facilities Reduction of carbon dioxide emissions Formulation of climate change policy Building of internal system in compliance with external evaluation organization standards Acquisition of green certifications | <ul style="list-style-type: none"> Improving value of buildings Providing buildings and spaces that consider the environment and culture Responses to global warming Initiatives for renewable energy Effective use of resources Responses to disasters | <ol style="list-style-type: none"> Proactive ESG considerations |
| <ul style="list-style-type: none"> Promote earthquake-proofing of buildings and facilities, implement countermeasures for tsunamis, torrential rain, and floods Stockpile emergency supplies necessary for disasters Conduct disaster preparation drills Introduction of safety confirmation system | <ul style="list-style-type: none"> Employee health management Improving value of buildings Responses to global warming Initiatives for renewable energy Effective use of resources Responses to disasters | <ol style="list-style-type: none"> Proactive ESG considerations |
| <ul style="list-style-type: none"> Conducting of credit checks on business partners Verification of geopolitical risk Stabilize procurement prices mainly by use of diversifying suppliers, decentralizing on a regional basis, and using long-term contracts | <ul style="list-style-type: none"> Urban development and creating towns Providing safe, secure products and services Responses to disasters | |
| <ul style="list-style-type: none"> Promote teleworking and enhance workplace health management Differentiation of products and services (equipment, meeting of specifications, installation of telework spaces through renovation) | <ul style="list-style-type: none"> Employee health management Providing safe, secure products and services Improving value of buildings Responses to disasters | <ol style="list-style-type: none"> Improvement of productivity and creation of new services through promotion of DX Personnel development and establishment of the rewarding workplace environment |
| <ul style="list-style-type: none"> Strengthening of insurance contracts and information security systems Ensuring of confidentiality Restrictions on external access Establishment of internal regulations, conducting of training Identify issues and promote resolutions via Compliance & Risk Management Committee Enhancement of in-house checking system Conducting thorough compliance education | <ul style="list-style-type: none"> Construction and maintenance of a corporate governance system Promote compliance | <ol style="list-style-type: none"> Improvement of productivity and creation of new services through promotion of DX Proactive ESG considerations |

Materiality

The MIRARTH HOLDINGS Group aims to contribute to solving social issues and achieving the Sustainable Development Goals (SDGs) through its business by engaging in sustainability activities. The goal is to achieve continuing development while earning the trust of stakeholders and society.

| | Key Themes | Policies | Stakeholders | Key Issues |
|--|---|---|---|---|
| Creating Lifestyles with Value | <p>We contribute to improving the richness of people's lifestyles by creating new value.</p>  | <ul style="list-style-type: none"> Provide products and services that respond to changing social issues and needs. Provide lifestyles that harmonize residents and surrounding environments, such as the LEBEN or NEBEL brands. |  Customers  Local communities, NPOs, and NGOs | <ul style="list-style-type: none"> Support for diversifying lifestyles and globalization →P.43 Responses to changes to business models brought by an ageing society and depopulation →P.43 |
| Forming Communities | <p>We form communities with stakeholders—such as local communities, trading partners, and employees—and aim for growth together.</p>  | <ul style="list-style-type: none"> Contributing to the revitalization of regional areas through our regional city revitalization business, which connects urban and regional areas. Improve our ability to respond to risk through thorough risk assessment and management. Provide opportunities and environments where a diverse range of people can work energetically. Corporate activities that can respond to social needs with an emphasis on dialogues with our stakeholders. |  Customers  Shareholders and investors  Local communities, NPOs, and NGOs  Executives and employees  Trading partners  Governments | <ul style="list-style-type: none"> Urban development and creating towns →P.45 Construction and maintenance of a corporate governance system →P.48 Promoting compliance →P.54 Employee health management →P.41 Encouraging employment of diverse human resources →P.40 |
| Providing Comfortable Spaces of High Quality | <p>We support the comfortable and safe living of our customers by providing products bringing great satisfaction to our customers.</p>  | <ul style="list-style-type: none"> Improve customer satisfaction levels through the use of our proprietary Service Quality Management System (SQMS®). Create housing that combines both design and habitability, pursuing the performance of housing. Improve building value through regular repairs and renovations to improve building comfort, functionality, and safety. |  Customers  Executive and employees  Trading partners | <ul style="list-style-type: none"> Providing safe, secure products and services →P.42 Improving customer satisfaction → https://mirarth.co.jp/en/sustainability/social/customer/satisfaction/ Improving value of buildings →P.44 |
| Developing Environments and Cultures | <p>We contribute to a sustainable society by actively working on environmental issues, and at the same time, contribute to improving quality of life by providing opportunities for mental activities such as learning and practicing the arts.</p>  | <ul style="list-style-type: none"> Reduce greenhouse gas emissions through supplying housing with high environmental performance and our renewable energy power generation business. Provide seismic-resistant and fire-resistant housing that can withstand natural disasters. Provide opportunities for cultural activities to our stakeholders. |  Customers  Local communities, NPOs, and NGOs  Governments | <ul style="list-style-type: none"> Providing buildings and spaces that consider the environment and culture →P.47 Responses to global warming →P.46 Initiatives for renewable energy →P.47 Effective use of resources →P.46 Responses to disasters →P.42 |

*1 Set as a medium-term target for fiscal 2024.

*2 Number of new projects participated in. In addition, nine projects are under construction or being promoted.

*3 Analysis based on anonymous questionnaires was conducted by an outside consulting firm, targeting all directors and corporate auditors, including outside directors.

*4 Group company information-sharing meetings were held to share compliance-related issues at each company and to alert employees to such issues. Reviewed rules and regulations, shared compliance training, and deployed it company-wide.

*5 As a result of review by the Compensation Committee, the implementation was postponed. Continued consideration.

*6 Implemented through compliance training.

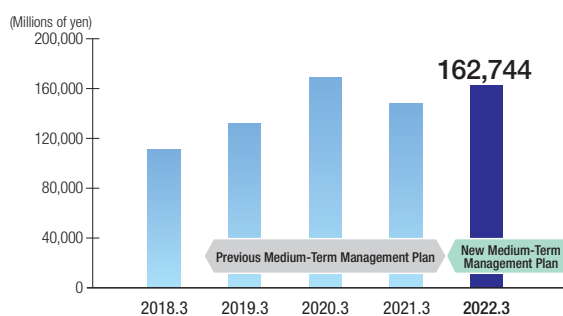
*7 Conducted interviews with each Group company, and for companies with insufficient recognition rate, reorganized displaying posters in the office and distributed portable cards to employees to enhance the recognition.

| KPIs | FY2021 | | FY2022 |
|---|-----------------------------|-------------------------|--------------------------|
| | Targets | Results | Targets |
| Propose new lifestyle services | 5 projects | 15 projects | 5 projects |
| Supply of new condominiums for sale overseas | 3 condos* ¹ | 6 condos in 2 projects | 3 projects* ¹ |
| Supply of NEBEL series condominiums | 3 condos | 10 condos | 3 condos |
| Redevelopment projects undertaken | 2 projects | 1 project* ² | 2 projects |
| Community sponsorships | 10 | 14 | 10 |
| Conduct the board effectiveness assessments | | ○* ³ | |
| Enhancement and strengthening of corporate governance system | | ○* ⁴ | |
| Consideration of introducing the clawback provisions | | ○* ⁵ | |
| Implement anti-corruption education and training | | △* ⁶ | |
| Promote understanding of human rights issues among officers and employees | | △* ⁶ | |
| Number of cases of adverse treatment | 0 | 0 | 0 |
| Survey to confirm the recognition rate of the whistle-blowing system | | ○* ⁷ | |
| Percentage of employees receiving health checkups | 100% | 95.6% | 100% |
| Stress check examination rate | 100% | 85.0% | 100% |
| Percentage of employees taking paid leave | 70% | 60.1% | 70% |
| Percentage of employees with disabilities | 2.3% | 2.7% | 2.3% |
| Percentage of female managers | 9.5%* ¹ | 7.34% | 9.5%* ¹ |
| Percentage of employees returning to work after maternity or parental leave | 100% | 100% | 100% |
| Training hours per employee | 24 hours | 17.9 hours | 24 hours |
| Satisfaction rate of sales staff survey | 90% | 89.3% | 90% |
| Number of nonconformities related to business processes and quality standards | 10 or less | 6 | 10 or less |
| Implementation of preventive action sharing meetings | 5 times or more | 4 times | 5 times or more |
| Training of SQMS® masters | 2 or more persons | 4 persons | 2 or more persons |
| Acquisition rate of housing performance evaluation certificates | 100% | 100% | 100% |
| Rate of accidents and lost time injuries (*covered: employees) | 0% | 0% | 0% |
| Number of lost workday injuries (*covered: employees) | 0 | 0 | 0 |
| Implementation of customer satisfaction surveys | | ○ | —* ⁸ |
| Safety meetings | Once a year | Not held* ⁹ | Once a year |
| Special patrols (safety checks) | 4 times a year | 3 times* ¹⁰ | 4 times a year |
| Number of safety and health training sessions (*training targets: employees) | Twice a year | Twice a year | Twice a year |
| Results of supplier surveys | A-rank acquisition rate 90% | 95.59% | —* ⁸ |
| Rate of accidents and lost time (*target: suppliers) | 1.83% or less | 0% | 1.83% or less |
| Establishment of environmental policy | | ○ | —* ⁸ |
| Acquisition and disclosure of CO ₂ emissions | | ○ | |
| Setting CO ₂ emission reduction targets | | △* ¹¹ | |
| Percentage of houses certified for energy efficiency rating (Flat 35) | 100% of detached houses | 100% | 100% |
| Sponsorship for culture fostering events | 5 | 7 | 5 |
| Acquisition of ZEH condominium certification | 1 | 1 | 1 |
| Acquisition of CASBEE certification with A rank or higher | 1 | 1 | 1 |
| Newly added generation capacity of mega-solar power plant | 20MW | 41MW* ¹² | 20MW* ¹³ |
| Total power generation | 360MW* ¹ | 310MW | 360MW* ¹ |
| Maximizing effective use of resources and water | | —* ¹⁴ | |
| Formulation of manuals for BCP measures | | △* ¹⁵ | |

*⁸ No plan to implement in fiscal 2022.*⁹ Not implemented due to measures to prevent new COVID-19 infection. Awareness was raised through education and the slogan displayed at each site during the Occupational Health and Safety Preparation Month.*¹⁰ The plan was reviewed due to a change in the internal organization.*¹¹ Under consideration by the Sustainability Committee established in April 2022.*¹² Newly added wind power generation was 2MW.*¹³ Revised KPI to "Newly added generation capacity of power facilities using renewable energy sources."*¹⁴ Internal system is being developed for quantitative data acquisition, and KPI was revised to "quantitative data acquisition and setting reduction targets."*¹⁵ The manuals are being formulated by the Risk Management Promotion Team.

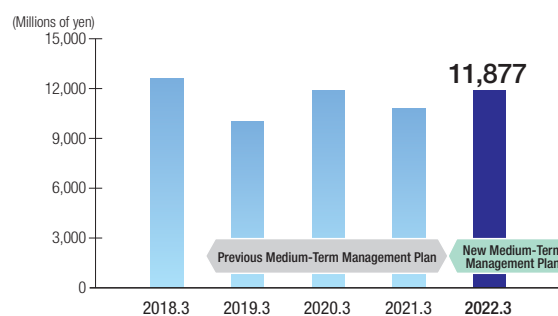
Financial/Non-Financial Highlights

Net Sales



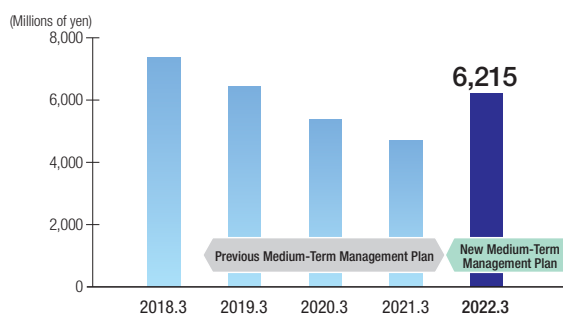
In the fiscal year ended March 31, 2022, net sales totaled 162,744 million yen, up 9.7% year on year. Although sales in the core new built-for-sale condominium business declined 1.6% from the plan, this 9.7% increase was largely due to sales from liquidation, the sale of LS Chiba Katsuura Power Generation Facility in the energy business, and an increase in revenue from the sale of electricity from operational power generation facilities.

Operating Income



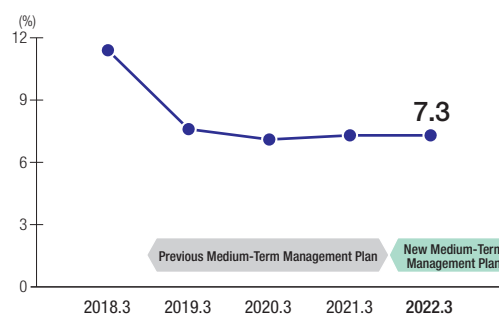
In the fiscal year under review, operating income increased 10.1% year on year, to 11,877 million yen. This largely reflected contributions from the high earnings of residential properties developed in-house in the liquidation business.

Net Income Attributable to Owners of Parent



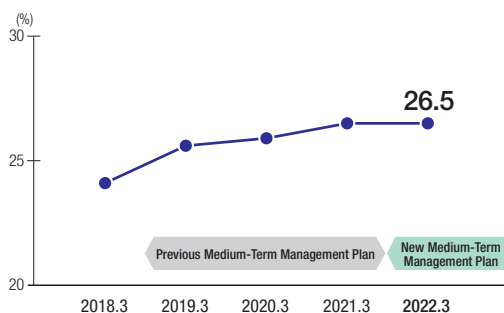
In the fiscal year under review, net income attributable to owners of parent totaled 6,215 million yen, up 32.4% compared with the previous fiscal year. This was mainly due to the high profit margin associated with the sale of LS Chiba Katsuura Power Generation Facility, the largest built by the Group.

Operating Income Margin



In the fiscal year under review, the operating income margin came in at 7.3%, unchanged from the previous fiscal year, on the back of improvements in profit margins in the energy business.

Equity Ratio



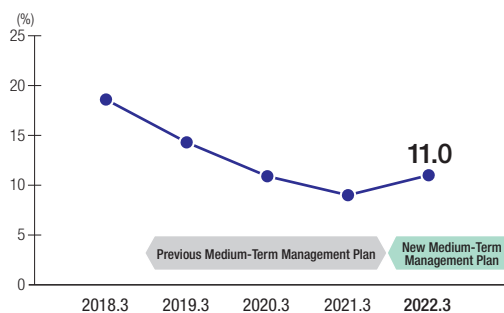
MIRARTH HOLDINGS' equity ratio came in at 26.5% in the fiscal year ended March 31, 2022. In a bid to achieve its fiscal 2024 target of more than 30%, the Company is working to secure a more stable equity ratio while diversifying fund procurement methods.

D/E Ratio



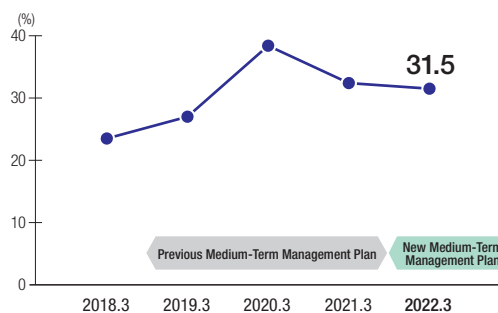
For the fiscal year ended March 31, 2022, the D/E ratio was 2.1 times, the healthiest it has been in the past five years. In the future, the Company will look to sustain a D/E ratio of less than 2.5 times each fiscal year by maintaining its financial soundness.

ROE



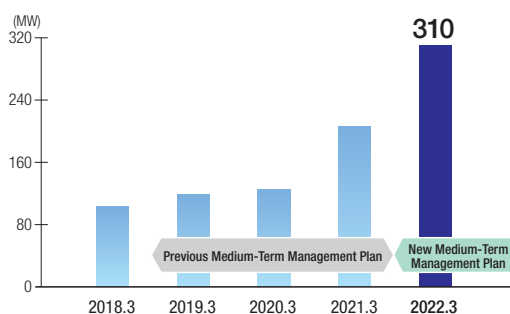
ROE climbed two percentage points compared with the previous fiscal year, to 11.0% in the fiscal year under review owing to the increase in net income attributable to owners of parent. Moving forward, we will work to achieve an ROE of more than 13% in the fiscal year ending March 31, 2024 through such measures as strengthening the financial management of Group companies, reducing selling, general and administrative expenses, and improving profit margins.

Dividend Payout Ratio



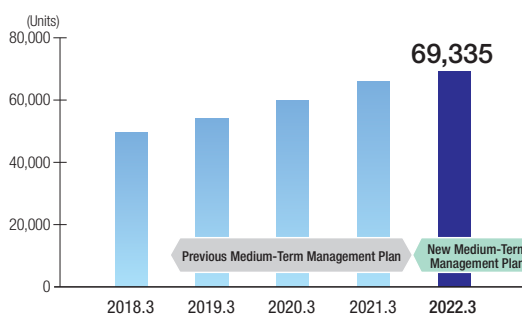
The dividend payout ratio declined 0.9 percentage points year on year to 31.5% in the fiscal year ended March 31, 2022. Under the new Medium-Term Management Plan, we have positioned shareholder returns as one of our most important management priorities. As such, we will continue to make appropriate returns.

Current Power Generation



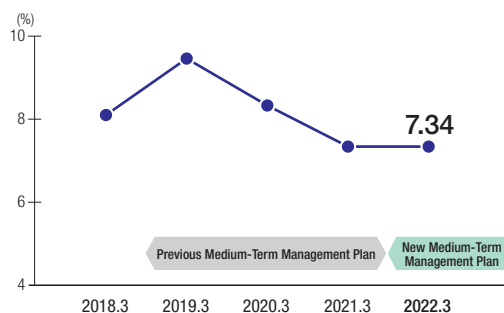
The MIRARTH HOLDINGS Group's current power generation, including the portion sold, increased 104 MW compared with the previous fiscal year, to 310 MW in the fiscal year under review owing to factors such as the inclusion of Leben Clean Energy Co., Ltd. in the Company's scope of consolidation as a subsidiary.

Number of Managed Housing Units



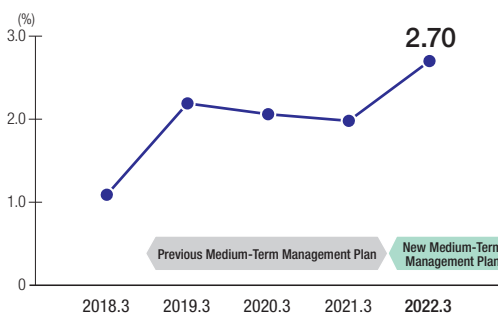
In the real estate management business, the number of units under management is steadily increasing amounting to 69,335 as of March 31, 2022, an increase of 3,298 units compared with the previous fiscal year. We will continue to actively acquire properties for management, including those managed by other companies, in order to realize stable revenue as a stock business.

Percentage of Women in Management



The percentage of women in management was 7.34% in the fiscal year ended March 31, 2022, unchanged from the previous fiscal year. The MIRARTH HOLDINGS Group has identified personnel development as a key strategy and positioned efforts to promote the empowerment of women as one of its most important measures under its new Medium-Term Management Plan. We aim to lift the percentage of women in management to 9.5% in the fiscal year ending March 31, 2025, through measures such as the development of a career system.

Percentage of Persons with Disabilities Employed



The MIRARTH HOLDINGS Group is promoting diversity and inclusion initiatives with the aim of becoming a corporate group where diverse human resources can excel. In the fiscal year ended March 31, 2022, we achieved our target for the percentage of persons with disabilities employed of 2.30% set for the fiscal year ending March 31, 2025. In specific terms, the percentage in the fiscal year under review was 2.70%, up 0.72 percentage points compared with the previous fiscal year.

A Message from the CEO



Kazuichi Shimada

Representative Director

MIRARTH HOLDINGS will achieve sustainable growth as a company that makes the future of people and the Earth happier through the transition to a new structure.

Amid Changes in Both the Market Environment and Values

Fiscal 2021, the fiscal year ended March 31, 2022, was a year in which various social issues became increasingly pronounced and our sense of a change in values grew in intensity.

In addition to successive waves of the COVID-19 pandemic, which show no signs of abating, operating conditions continue to change on the back of a variety of factors including surging fuel and raw material prices, disruptions in the supply chain as a result of Russia's actions in Ukraine, and the sharp downturn in the value of the yen.

Over and above the aforementioned, rapid changes in people's values have the potential to significantly impact how we should develop our business going forward. In the

new built-for-sale condominium business, for example, the spread of COVID-19 has triggered an upswing in demand for suburban areas owing to the increased incidence of remote work, growing interest in creating comfortable spaces, and other related trends. As people place more and more value on enriching their homes, the manner in which homes are sought after is changing along with people's lifestyles. Moreover, global and societal demands are increasing in strength amid deepening concerns surrounding climate change and energy-related issues. Companies that fail to address sustainability issues will undoubtedly face an increasingly harsh business environment.

Transition to a Holding Company Structure

The Company marked the 50th anniversary of its foundation in September 2022. Looking ahead to the next 50 and 100 years, Takara Leben Co., Ltd. has transitioned to a holding company structure through an absorption-type company split on October 1, 2022 and changed its name to MIRARTH HOLDINGS, Inc. with the aim of securing its sustainable growth and providing value to society together with stakeholders in the most appropriate manner possible.

The Group has consistently provided ideal, affordable housing that anyone can buy with confidence and peace of mind under its corporate vision of "THINK HAPPINESS AND MAKE THE HAPPINESS". Every effort has been made to expand the scale of business by diversifying into peripheral areas through M&As and other means, centering on our core real estate business.

Against this backdrop, we recognize the critical need to put in place a system that allows us to make fast and flexible management decisions going forward, and to further strengthen governance and sustainability management as

a company listed on the Prime Market of the Tokyo Stock Exchange. Based on this understanding, we have taken steps to reorganize and transition to a new structure.

From April 2022, in the leadup to our transition to a holding company structure, we reorganized our operations into three core mainstay and other businesses. Specifically, we have integrated our real estate-related activities, including the real estate sales, real estate rental, and real estate management businesses, as well as a portion of other businesses, into the single real estate business. At the same time, we separated the management compensation portion included in other businesses and created the asset management business to expand financial business. The existing energy business, which we have been focusing on, remained the same. We believe this will clarify the profitability and responsibilities of each segment while accelerating the pace of management and increasing the efficiency of management resources use.

Aspirations Embodied in the Name "MIRARTH"

MIRARTH is a combination of the words Mirai (future in Japanese) and Earth. This new moniker embodies our desire to evolve

into a company that makes a happier future for the Earth and its people by contributing to all communities everywhere.

A Message from the CEO

The Board of Directors deliberated on whether or not to use Takara Leben, which is a well-established name, for the new holding company. The decision to adopt MIRARTH reflects our determination to change our corporate identity from a general real estate business developer to a future environment design company by building a business model that contributes to society at large and not just the real estate business.

As part of our efforts to crystallize the holdings philosophy, we established the Regional Strategic Promotion Department in April 2022 and initiated steps to pursue regional development nationwide.

We currently have a presence in 35 prefectures throughout Japan in our core new built-for-sale condominium business. Together with our energy and asset management business, our second and third pillars of business, we engage in activities that are deeply rooted in the sustainability of local communities, including housing development and the supply of energy. In Japan today, many regions outside major metropolitan areas are facing a host of social issues, including declining birthrates, an aging society, and depopulation. Under these circumstances, the Company has set the new goal of contributing to regional revitalization across Japan by leveraging its strengths in local markets.

Our Story

“THINK HAPPINESS AND MAKE THE HAPPINESS.”

This philosophy has been at the core of our practice from the start and we have created homes and with a focus on people and their lifestyles.

However, people’s lifestyles have changed dramatically as computerization, digitization, and changes in infrastructures have progressed rapidly.

We also face a variety of issues, such as a declining birthrate, aging population, and depopulation of rural areas.

“In these difficult times, how do we create happiness for tomorrow?”
We have been asking ourselves this question for some time.

Our challenge has already begun.

In a group-wide effort, we will integrate our real estate, energy, finance and other businesses that can encourage further our co-creation efforts with local communities to develop better cities for the future.

We will also be expanding our businesses globally.

We will tackle everchanging challenges of our time with our determination to evolve into a company that can realize a happier future for people and our planet through power and desire to design sustainable environments.

MIRARTH

Our company name, MIRARTH, is a combination of 2 words -- “Mirai (future)” and “Earth”, representing the trajectory of our business and story of our existence to bring about a brighter and happier future.

In the field of renewable energy, Leben Clean Energy Co., Ltd., which boasts strengths in the development of small- and medium-scale power generation facilities, was included in the scope of consolidation as a subsidiary in 2021. As a group, we believe that we can contribute to local authorities that are required to achieve carbon neutrality by 2050 through a variety of measures. This includes efforts aimed at commercializing regional microgrids that help realize a recycling-oriented society.

Through efforts to expand our business going forward, we, as a member of the private sector, will engage in activities that help resolve local community issues while collaborating with local companies and local government. This includes revitalizing regional economies and creating employment opportunities.



Review of the First Year of the Medium-Term Management Plan

FY2021 performance review and FY2022 quantitative goals

MIRARTH HOLDINGS is actively engaged in carrying out its Medium-Term Management Plan, which covers the four-year period from fiscal 2021 to fiscal 2024. Under the Plan, the Company has identified National Brand Establishment as its long-term vision while formulating important strategies comprised of 7 Elements. In addition to expanding existing businesses and maximizing group synergies, we are working to improve productivity and create new services through the promotion of digital transformation (DX). Standing shoulder to shoulder, Group companies are committed to enhancing corporate value over the medium and long term by proactively addressing ESG concerns, promoting personnel development, and putting in place a rewarding workplace environment.

MIRARTH HOLDINGS achieved its quantitative goals for net sales and each level of profit in fiscal 2021, the first year of the Medium-Term Management Plan. The Company was successful in meeting its gross profit goals for both the core new built-for-sale condominium business and key liquidation business. The energy business was especially strong. Thanks largely to contributions from the sale of the LS Chiba Katsuura Power Generation Facility, the largest built by the Group, net sales and gross profit substantially

exceeded goals in facility sales operations. With the inclusion of Leben Clean Energy Co., Ltd. in MIRARTH HOLDINGS' scope of consolidation as a subsidiary company, purchased generation capacity in its electricity sales operations came to 120 MW. Taking into account scheduled projects including facilities under development, we achieved our cumulative generation capacity goal of 360 MW set under the Medium-Term Management Plan ahead of schedule.

Building on the robust results of the fiscal year under review, we expect to surpass our initial forecasts in fiscal 2022. With the goal of returning sales to pre-COVID-19 levels in the first two years of the Plan, we are targeting net sales of more than 200 billion yen and net income of 10 billion yen in fiscal 2024, the final year of the Plan. For the most part, MIRARTH HOLDINGS is on track to achieve these goals.

Improvement of productivity and creation of new services through the promotion of DX

In April 2022 the MIRARTH HOLDINGS Group established the DX Strategy Management Department and in May formulated the DX Policy. Referred to as Takara Leben-ism (TL-ISM), this DX Policy is based on the three concepts of Innovation, Synergy, and Managed Infrastructure. Here, our

A Message from the CEO

7 Elements of the Medium-Term Management Plan



goal is to promote DX that is tailored to the thoughts of each individual by clarifying the solutions that we hope to realize through DX for each target including customers and employees. Looking ahead, we will employ Robotic Process Automation (RPA) to build a platform of Group management information and digitize our know-how based on our DX Policy. Through this digital platform, we will be better placed, to engage in the centralized management of customer data that is currently dispersed throughout each organization. We will accelerate the pace of implementation in stages over the course of 2027 with the aim of transforming our corporate culture, improving productivity, and creating new services.

Proactively addressing ESG concerns

In addition to the aforementioned focus on further existing business growth as an important strategy going forward, the Medium-Term Management Plan also highlights the need to promote sustainability management. In transitioning to a holding company, MIRARTH HOLDINGS has taken steps to reorganize and establish an organization that is better primed to engage in sustainability initiatives as well as unify the Group's awareness toward these endeavors.

As a company that is engaged in the real estate and energy businesses, we recognize that addressing environmental issues is an important management issue that not

only reduces risk but also leads to profitable opportunities. Chaired by the Representative Director, we established the Sustainability Committee to further strengthen our ESG strategy and build a more cross-functional and flexible sustainability promotion system. In addition, we announced our support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in June 2022 and are participating in the TCFD consortium.

As a company listed on the Prime Market, we are also promoting the strengthening of governance, and as of October, outside directors on the Board of Directors were in the majority. In 2021, we invited two female outside directors with a wealth of knowledge and experience, increased the ratio of female directors. With its shift to a holding company structure, MIRARTH HOLDINGS will be required to further strengthen governance. The Company will therefore work to enhance the governance function across the entire group, including the management structure of subsidiaries and affiliates.

Personnel development and the establishment of a rewarding workplace environment

Efforts to diversify and expand its business has allowed a host of the Group's employees to excel. We recognize the need to maximize the creation of value by drawing out the capabilities of our talented personnel as an issue going for-



ward. By the same token, we recognize the need to centrally manage Group-wide human resources and assign the right people to the right positions after taking into consideration the importance of optimization across the organization as a whole. In meeting this challenge, we are contemplating the use of DX. While the Human Resources

Department is currently conducting interviews with all employees to gain a more detailed understanding of employees' concerns and aspirations, we will endeavor to put in place an environment where diverse employees can thrive and excel while combining digital and analog information in the future.

Working to Become a Future Environment Design Company

Established as Takara Komuten Co., Ltd. in Itabashi-ku, Tokyo in 1972, the Company grew beyond its initial detached house business into a general real estate business developer. The word Takara (treasure in Japanese) in the Company's original name Takara Komuten Co., Ltd. embraces the notion of the home as the treasure of a lifetime. True to the Company's name, we have continued to provide ideal houses for customers.

Moving forward, MIRARTH HOLDINGS will expand the scope of ideal housing to local communities and the Earth.

Extending beyond the boundaries of real estate to "THINK HAPPINESS AND MAKE THE HAPPINESS." for people, we will work to become a future environment design company that grows in concert with society for the next 50 and 100 years.

As we work toward achieving our goals, we ask for the continued support and understanding of all stakeholders.

October 2022

Kazuichi Shimada

Representative Director, Group CEO, Group COO
and President Executive Officer

Review of Previous Medium-Term Management Plans

| | Next Stage 2019 (FY2015–FY2018) | Medium-Term Management Plan (FY2018–FY2020) | | |
|-----------------------------------|--|--|---|--|
| Themes | “Beginning of a new era for Takara Leben” — Diversifying flow businesses and expanding stock and fee-based businesses — | Evolution through Sustainable Change — Innovation for a New Lifestyle. — | | |
| Management Indicators | FY2018 Net Sales 132,005 million yen Gross Profit 26,886 million yen Equity Ratio 25.6% LTV 60.5% D/E Ratio 2.3 times ROE 14.3% | FY2020 Net Sales 148,397 million yen Gross Profit 29,928 million yen Equity Ratio 26.5% LTV 58.0% D/E Ratio 2.2 times ROE 9.0% | | |
| Plan Framework and Results | Plan Framework | Results | Strategies by Segment | Performance Results |
| | <ul style="list-style-type: none"> • Profit ratio Aim for 35% for stock and fee-based businesses | Stock and fee-based businesses profit ratio: 13.9% > 33.7% <small>(FY2014) (FY2017)</small> | Real Estate Sales Business [New Built-for-Sale Condominiums] <ul style="list-style-type: none"> • Targets include families, dual-income families, single-person households, seniors • Supply of compact condominiums that meet changes in the times [New Detached Houses] <ul style="list-style-type: none"> • Outskirts of Tokyo metropolitan area, within 10 minutes walk of station • Thorough implementation of short-term return cycle [Renewal Resale] <ul style="list-style-type: none"> • Uptake of expanding used condominium needs • Increase number of owned units, develop a business cycle [Liquidation] <ul style="list-style-type: none"> • Diversification of exit points • Optimization of the balance sheet | Strong demand to purchase condominiums for actual availability is observed; we have built a system with capacity of supplying 2,000 units annually Restructured the system by handpicking the supply areas due to the tough competitive environment packed with contenders Successful uptake of used condominium needs led to growth with increased year-end owned units The amount of both investment and sales increased; secured a high gross profit margin from self-developed properties |
| | <ul style="list-style-type: none"> • Diversifying flow businesses Strengthening businesses other than new built-for-sale condominium business in the Tokyo metropolitan area | Percentage of new built-for-sale condominium units sold in local city centers: 24.2% > 51.3% <small>(FY2014) (FY2017)</small> | Real Estate Rental Business <ul style="list-style-type: none"> • Securing of stable revenue | Declined due to expansion of liquidation sales |
| | <ul style="list-style-type: none"> • Expanding stock and fee-based businesses Asset management business, real estate rental business, real estate management business, real estate distribution business, etc. | Current power generation: 16MW > 103MW <small>(As of the end of FY2014) (As of the end of F2017)</small> Number of units under management: 38,700 units > 49,650 units <small>(As of the end of FY2014) (As of the end of F2017)</small> Net sales of real estate rental business: 2,898 million yen > 5,472 million yen <small>(FY2014) (FY2017)</small> | Real Estate Management Business <ul style="list-style-type: none"> • Replace other companies in management with competitive services • Spin-off into other businesses, such as large-scale repair works Electric Power Generation (Currently Energy) Business <ul style="list-style-type: none"> • Development of environment-friendly renewable energy • Incorporation of post facility-sale commission income | Achieved the plan through replacements from other company properties Facility sale timing was delayed due to the postponed construction schedule Electricity sale profits declined due to early depreciation following completion of large-scale projects |
| Issues | <ul style="list-style-type: none"> • Schedules for completion of construction postponed due to lengthened project schedules • Increase in assets and debt due to expanded areas of investment • Completion of construction concentrated in the fourth quarter for a large number of projects • Rising personnel expenses due to an increase in personnel and workstyle reforms | <ul style="list-style-type: none"> • Operating income and ordinary income fell short of goals due to increased sales and personnel expenses following nationwide expansion • Booked valuation write-downs of some hotel project inventories as the impact of COVID-19 began to emerge • Facility sales schedule postponed in the electric power generation business due to the careful selection of projects and delayed construction | | |

Progress under the Medium-Term Management Plan

(FY2021 to FY2024)

Medium-Term Management Plan 7 Elements FY2021 Progress

1 Further growth of core businesses

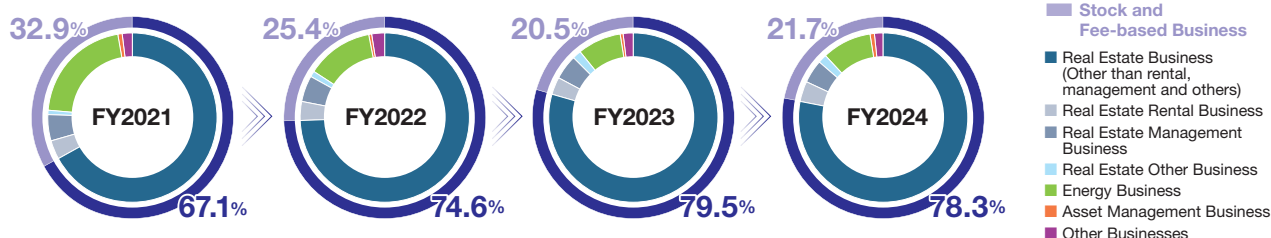
| Business | | Main Measures / Goals | Progress in FY2021 |
|----------------------|--------------------------------|---|---|
| Real Estate Business | New built-for-sale condominium | <ul style="list-style-type: none"> Restructure the stable, nationwide supply system. Aim to record 2,600 units in sales in FY2024 Achieve a metropolitan area ratio of 50% in FY2024 Promote active penetration in redevelopment projects such as station-front redevelopment and renewal project for aging condominiums | <ul style="list-style-type: none"> Number of new built-for-sale condominium sold: 1,830 units Metropolitan area ratio: 47.4% Promoted the Takaoka Ekimae East Area Excellent Building Improvement Project |
| | Renewal resale | <ul style="list-style-type: none"> Aim for 800 to 1,000 owned units by establishing a stable renewal business cycle | <ul style="list-style-type: none"> Number of owned units as of the period-end: 475 units |
| | Liquidation | <ul style="list-style-type: none"> Maintain the investment pace of 30 to 50 billion yen per year Actively promote rental residence development | <ul style="list-style-type: none"> Investment amount: 30.2 billion yen Sales amount: 25.8 billion yen |
| | Real estate management | <ul style="list-style-type: none"> Continue to increase the managed units as a stock business mainstay, aim for a total of over 80,000 managed unit in FY2024 | <ul style="list-style-type: none"> Number of managed units: 69,335 units Percentage of non-Group units managed: 51.8% |
| Energy Business | | <ul style="list-style-type: none"> Develop a business model for de-FIT Actively penetrate direct and bilateral energy trading Aim for a cumulative generation capacity of 360MW as of the end of FY2024 | <ul style="list-style-type: none"> Achieved the generation capacity goal of 360MW in advance following the inclusion of Leben Clean Energy Co., Ltd. in the scope of consolidation as a subsidiary Osaka Gas Co., Ltd. invested in small- and medium-sized solar power generation facilities owned and operated by the Group in 82 locations Entered the biomass power generation business; Fujisan Asagiri Biomass Power Plant commenced demonstration operations |

2 Maximized group synergies

Transitioned to a holding company structure

3 Optimized business portfolio

Trends in Business Portfolio



4 Establishment of a stable financial ground

- Received an "A" rank after procuring financing based on the ESG Management Support Loan Program provided by MUFG Bank, Ltd.
- Acquired the highest grade, "Green 1," in the JCR Green Loan Evaluation conducted by Japan Credit Rating Agency, Ltd.

5 Improvement of productivity and creation of new services through promotion of DX

Established a DX policy

6 Proactive ESG considerations

- Established the Sustainability Committee
- Established non-financial KPIs
- Endorsed the recommendations of the TCFD; participated in the TCFD Consortium

7 Personnel development and establishment of the rewarding workplace environment

Enhancement of training system, active job rotation, introduction of teleworking system

Performance Goals

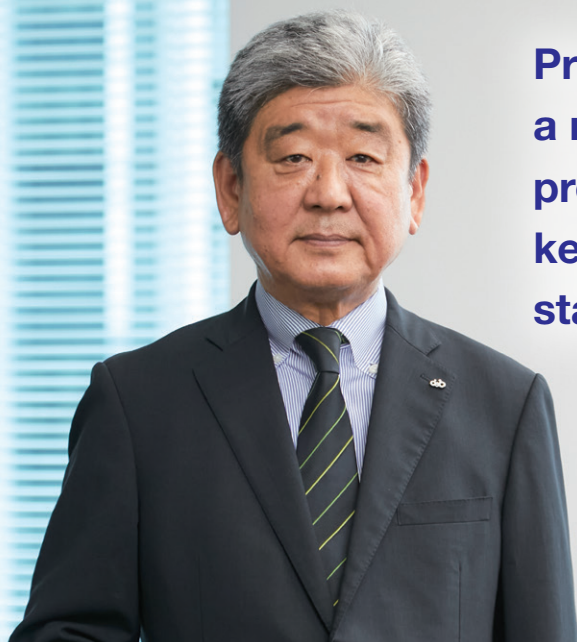
(Millions of yen)

| | FY2021 Initial Plan | FY2021 Results | FY2022 Initial Plan | FY2022 Revised Forecast | FY2023 Plan | FY2024 Plan |
|---|---------------------|----------------|---------------------|-------------------------|-------------|-------------|
| Net Sales | 158,600 | 162,744 | 155,200 | 173,500 | 187,100 | 203,700 |
| Gross Profit | 29,100 | 33,117 | 28,400 | 33,100 | 35,200 | 38,700 |
| Operating Income | 7,900 | 11,877 | 8,000 | 11,900 | 13,200 | 15,700 |
| Ordinary Income | 7,100 | 10,258 | 7,400 | 10,300 | 12,500 | 15,000 |
| Net Income Attributable to Owners of Parent | 4,800 | 6,215 | 5,000 | 7,000 | 8,500 | 10,000 |

Results exceeded initial plans in fiscal 2021. Buoyed by robust sales in the real estate sales business, gross profit surpassed forecasts. The liquidation business, in particular, significantly exceeded forecasts on the back of high profit margins for such products as real estate rental properties

developed by the Company. Facility sales prices also exceeded forecasts in the energy business. Accounting for each of these factors, MIRARTH HOLDINGS has upwardly revised forecasts for fiscal 2022.

A Message from the CFO



Providing the underlying strength for a new growth phase by building a profit structure through our three key businesses and establishing a stable financial base

Masashi Yamamoto

Director,
Group CFO and Managing Executive Officer

Progress in the First Year of the Medium-Term Management Plan and Second Year Plans

As part of its efforts to establish a stable financial base, an important strategy under its Medium-Term Management Plan, MIRARTH HOLDINGS is strengthening measures aimed at achieving an equity ratio of more than 30%, LTV of less than 60%, D/E ratio of less than 2.5 times, and an ROE of more than 13%.

In fiscal 2021, the fiscal year ended March 31, 2022, the Company focused on carrying out the 7 Elements of its Medium-Term Management Plan. We were successful in achieving our goals for sales and profit on the back of contributions from the sale of self-developed residences in the liquidation business and large electric power generation facilities in the energy business. In addition to securing increases in both revenue and earnings, results exceeded all of our initial forecasts. On a year-on-year basis, net sales

climbed 9.7%, to 162,744 million yen, operating income grew 10.1%, to 11,877 million yen, ordinary income expanded 3.3%, to 10,258 million yen, and net income attributable to owners of parent jumped 32.4%, to 6,215 million yen.

From a financial perspective, the Company's equity ratio stood at 26.5%, unchanged from the fiscal year ended March 31, 2021. On a more positive note, we achieved our LTV ratio goal, which came in at 57.3%. As far as D/E ratio is concerned, MIRARTH HOLDINGS recorded its healthiest ratio in the past five years, at 2.1 times. Moreover, the Company's ROE improved two percentage points year on year, to 11.0%. Our goal is to achieve an ROE of 13% through a host of initiatives. This includes strengthening the financial management of Group companies, reducing selling, general and administrative expenses, and improving

Financial Position

| | 2018.3 | 2019.3 | 2020.3 | 2021.3 | 2022.3 |
|---|---------|---------|---------|---------|---------|
| Total assets (Millions of yen) | 177,588 | 184,893 | 195,448 | 204,315 | 223,473 |
| Shareholders' equity (Millions of yen) | 42,747 | 47,341 | 50,634 | 54,194 | 59,109 |
| Cash and cash equivalents (Millions of yen) | 29,223 | 21,165 | 35,311 | 39,169 | 33,428 |
| Interest-bearing debt (Millions of yen) | 106,663 | 111,821 | 114,036 | 118,570 | 127,969 |
| Equity ratio (%) | 24.1 | 25.6 | 25.9 | 26.5 | 26.5 |
| LTV (loan to value) (%) | 60.1 | 60.5 | 58.3 | 58.0 | 57.3 |
| D/E ratio (times) | 2.5 | 2.3 | 2.2 | 2.2 | 2.1 |
| ROE (%) | 18.6 | 14.3 | 10.9 | 9.0 | 11.0 |

profit margins. Once this goal is achieved, we will then target an ROE of 15%, which we identified in the previous Medium-Term Management Plan.

In recent years, MIRARTH HOLDINGS has worked diligently to diversify its business. Efforts have been directed toward expanding into the energy, liquidation, and overseas businesses while positioning new built-for-sale condominiums as a core business. In fiscal 2022, we have transitioned to a holding company structure and are promoting sustainable growth, building a structure that allows us to make fast and flexible management decisions, and strengthening corporate governance. Despite a downturn in energy business

sales owing to a decrease in contributions from the sale of power generation facilities, we are projecting increases in both revenue and earnings. This largely reflects firm trends in the mainstay real estate business including new built-for-sale condominiums and liquidation. For fiscal 2022, net sales are forecast to reach 173,500 million yen, an increase of 6.6% compared with fiscal 2021. On a year-on-year basis, operating income is anticipated to come in at 11,900 million yen, up 0.2%, ordinary income at 10,300 million yen, up 0.4%, and net income attributable to owners of parent to 7,000 million yen, up 12.6%.

MIRARTH HOLDINGS' Financial Strategy

Vision upon transitioning to a holding company

With its transition to a holding company, MIRARTH HOLDINGS reorganized its business segments into the three mainstay real estate, energy, and asset management businesses. To enhance long-term corporate value and secure sustainable growth, we will expand significantly beyond existing real estate boundaries.

Of these three mainstay businesses, the real estate and energy businesses employ substantial assets. As a result, the assets of both businesses account for a large portion of the Company's balance sheet. With this in mind, we will take steps to improve asset efficiency by accelerating the cycle from investment to return while at the same time generating stable income.

As far as our three mainstay businesses are concerned, we will endeavor to put in place a more balanced earnings structure. Moving away from an over-dependence on the real estate business, we will look to gradually increase the proportions of energy and asset management operating income.

Diversifying finance procurement methods

MIRARTH HOLDINGS is diversifying its finance procurement methods to fortify its ability to secure funds on a stable basis while building a robust financial structure. Drawing on its nationwide network, the Group is actively engaged in the procurement of funds from local financial institutions. The balance of our ESG and sustainable loans has also increased in recent years. As an area in which the Group contributes to the resolution of environmental, energy, and other social issues, MIRARTH HOLDINGS' energy busi-

ness, in particular, raised funds through a syndicated green loan in line with the Green Loan Principles formulated by such institutions as the Loan Market Association as well as the Green Loan and Sustainability Linked Loan Guidelines issued by Japan's Ministry of the Environment. Moreover, MIRARTH HOLDINGS received the highest grade, Green1 in the JCR Green Loan Evaluation conducted by Japan Credit Rating Agency, Ltd. in this instance. The funds procured through this syndicated green loan were used to acquire the LS Iwate Hachimantai power generation facility. In addition to these initiatives, the Company procured financing based on the ESG Management Support Loan Program. This Program is available to companies that achieve a certain level of results following an ESG initiative evaluation by Mitsubishi UFJ Research and Consulting Co., Ltd., based on that institution's proprietary checklist.

Coupled with ongoing efforts to employ a wide array of financing methods, we are working to further improve our financial health and reduce financing costs by actively using off-balance schemes as required.



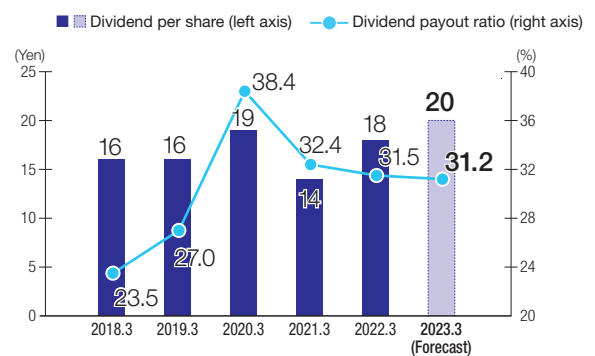
Shareholder Returns Policy

We consider the return of profits to shareholders to be one of our most important management priorities and will maintain a stable dividend policy in line with our business performance. Although total shareholder returns (TSR) has fallen below 100% due in part to the drop in our share price, the dividend payout ratio was raised 5 percentage points from the 25-30% set under the previous Medium-Term Management Plan to 30-35% in order to realize more active shareholder returns while appropriately securing retained earnings. For fiscal 2021, we have paid an annual dividend of 18 yen per share, comprising an interim dividend of 4 yen per share and a year-end dividend of 14 yen per share, up 4 yen from our initial forecast, for a dividend payout ratio of 31.5%. While previously projecting 14 yen per share, we plan to pay an annual dividend of 20 yen per share for fiscal 2022, up 6 yen per share, in line with our higher performance targets. This translates to a dividend payout ratio of 31.2%.

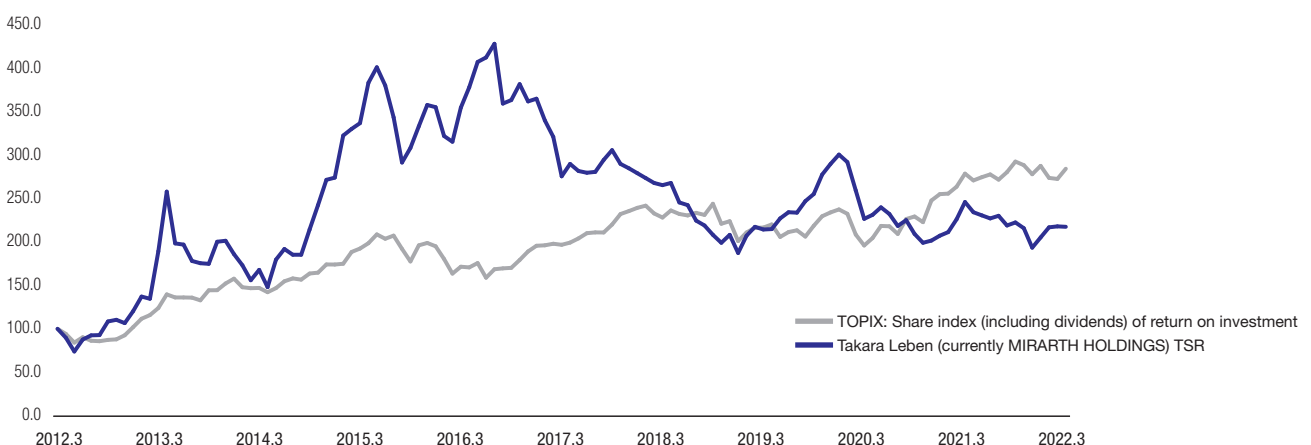
Under a new organizational structure designed to further improve operating income, we will continue our efforts to achieve a higher dividend payout ratio.

Looking ahead, we will continue to provide appropriate shareholder returns while at the same time boldly carrying out strategies aimed at stabilizing our financial base and expanding sales and profit. We will shift from a general real estate business developer to a future environment design company that contributes to creating cities and providing a wide range of values. As such, we will strive to increase our financial and social value while achieving sustainable growth for the group as a whole.

Dividend per Share/Dividend Payout Ratio



Total Shareholder Return (TSR)



| | 1 year | 3 years | | 5 years | | 10 years | |
|---|--------|------------|-------------|------------|-------------|------------|-------------|
| | | Cumulative | Annual rate | Cumulative | Annual rate | Cumulative | Annual rate |
| Takara Leben (currently MIRARTH HOLDINGS) | -15.0% | +1.7% | +0.6% | -23.0% | -5.1% | +116.8% | +8.0% |
| TOPIX | +2.0% | +31.2% | +9.5% | +44.3% | +7.6% | +183.3% | +11.0% |

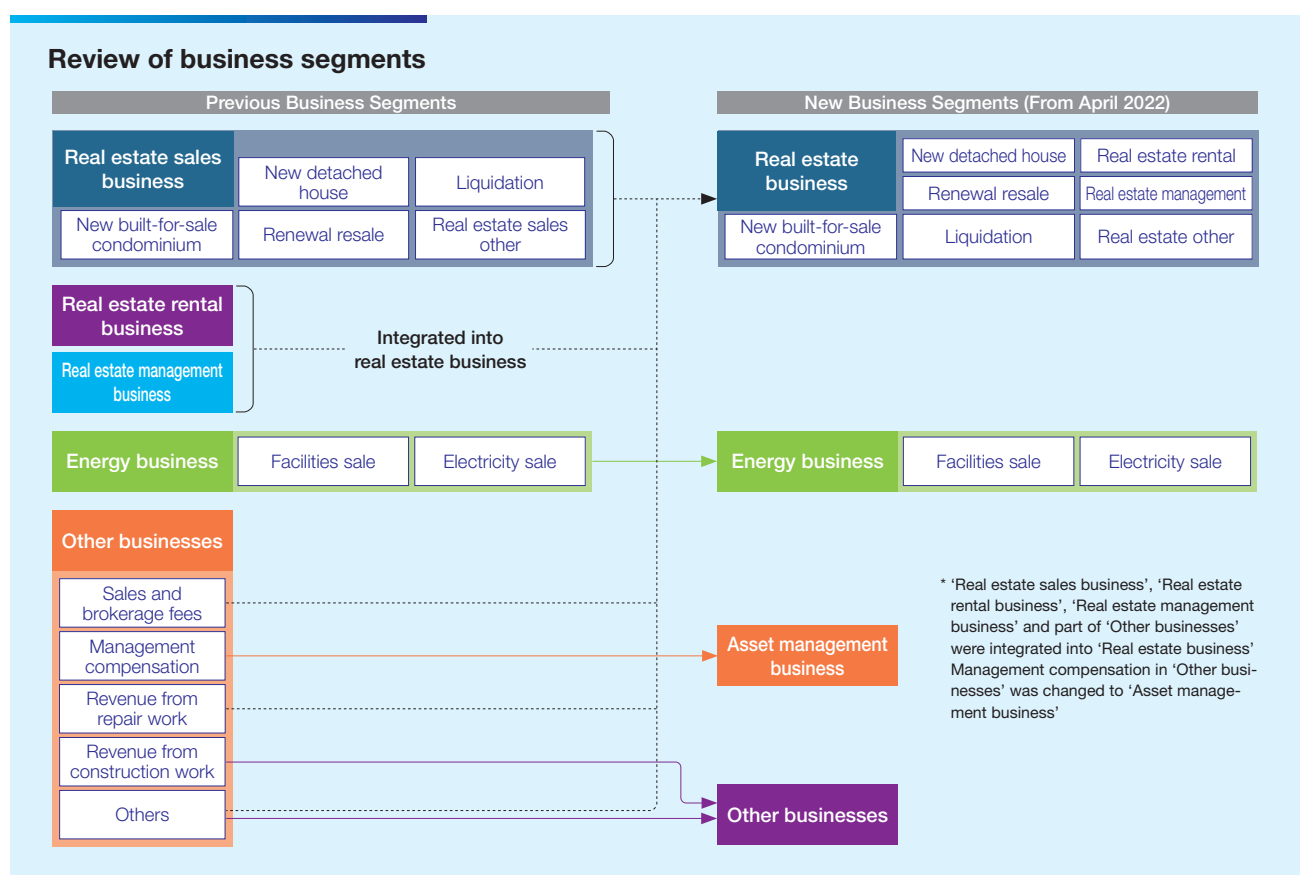
Notes:

- * Total shareholder return (TSR): Total rate of return on investment that combines capital gains with dividends
- * TSR for Takara Leben (currently MIRARTH HOLDINGS) is calculated based on cumulative dividends and stock price fluctuations. TSR for TOPIX is calculated with a stock price index including dividends. (Created by Takara Leben using Bloomberg data and other sources.)
- * TSR values in the graph are indexed to market prices as of March 31, 2012 as 100 (assuming the stock was held until March 31, 2022).

Strategies by Business Segment

Change in business segments

MIRARTH HOLDINGS's business segments through to fiscal 2021 comprised the five real estate sales, real estate rental, real estate management, energy, and other businesses segments. From fiscal 2022, the Company reorganized its operations into the four real estate, energy, asset management, and other businesses segments. Under this reorganization, all real estate-related activities, including real estate sales, real estate rental, and real estate management as well as sales and brokerage fees have been consolidated into the real estate business segment. Moreover, the asset management business, which was previously management compensation included in other businesses, has been established as a new independent segment. This will allow the Company to better position its asset management activities as a core business pillar in the future. The energy business remains unchanged.



Sales by Segments

(Millions of yen)

| | 2017.3 | 2018.3 | 2019.3 | 2020.3 | 2021.3 | 2022.3 |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Net sales | 103,599 | 110,851 | 132,005 | 168,493 | 148,397 | 162,744 |
| Real estate sales business | 79,638 | 79,341 | 104,823 | 129,649 | 117,200 | 109,152 |
| Real estate rental business | 5,056 | 5,472 | 5,829 | 5,965 | 5,753 | 5,950 |
| Real estate management business | 3,665 | 4,000 | 4,512 | 5,046 | 5,446 | 5,856 |
| Energy business | 11,108 | 18,239 | 10,794 | 20,982 | 13,485 | 34,248 |
| Other businesses | 4,130 | 3,797 | 6,045 | 6,850 | 6,512 | 7,536 |
| (New segments) | | | | | | |
| Real estate business | — | — | — | — | — | 124,285 |
| Energy business | — | — | — | — | — | 34,248 |
| Asset management business | — | — | — | — | — | 1,315 |
| Other businesses | — | — | — | — | — | 2,895 |

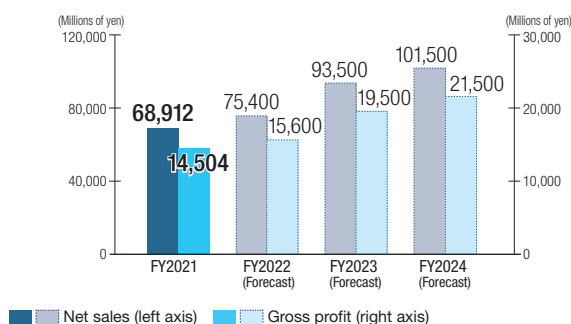
Real Estate Business

New built-for-sale condominium

Business Overview

The new built-for-sale condominium business is a core category that accounts for around 40% of total sales. The Group engages in the development, planning, and sale of the LEBEN and THE LEBEN proprietary branded series of condominiums and the NEBEL brand of compact urban-type condominiums. Based on the concept of ideal, affordable housing that anyone can buy with confidence and peace of mind, the MIRARTH HOLDINGS Group provides condominiums to a wide range of generations, focusing mainly on dual-income households.

Trends in Net Sales and Gross Profit



Review of FY2021

Net sales came in at 68,912 million yen in the fiscal year under review. While this was lower than initial expectations, gross profit exceeded forecasts totaling 14,504 million yen. Despite the impact of COVID-19, the balance between supply and demand continued to remain strong. With sales activities progressing more favorably than initially planned, the number of units sold, including JV*1 projects, reached 1,830 units. Looking at the composition of sales by region, the percentage in metropolitan areas*2 was 47.4% owing to the expansion of supply areas to regional cities.

*1 JV: Joint venture with other companies

*2 Metropolitan areas: The Tokyo metropolitan, Chubu, and Kinki areas

Future Initiatives

While the prices of condominiums for sale continue to rise in both the Tokyo metropolitan and Kinki areas due to the rising cost of land and construction, demand is expected to remain strong going forward. This is largely attributable to the ongoing low housing loan interest rate environment coupled with the timely expansion of the housing loan tax reduction system. Under these circumstances, net sales are projected to increase 9.4% compared with the previous fiscal year, to 75,400 million yen. On the earnings front, gross profit is expected to climb 7.6% year on year, to 15,600 million yen. Despite a downturn in the number of units sold of 2.7% compared with the previous fiscal year, to 1,780 units, revenue and profits are projected to increase year on year owing to the large proportion of units planned for sale in areas with higher selling prices.

With the basic policy of rebuilding a stable, nationwide supply system, our goal is to achieve annual sales of 2,600 units in fiscal 2025. To this end, we will continue to target a metropolitan area ratio of 50% by further promoting nationwide sales while engaging in such activities as the expansion of bases and controlling construction costs. In order to contribute to the revitalization of local communities, we will also aggressively enter the station-front redevelopment business and projects involving the renewal of aging condominiums.

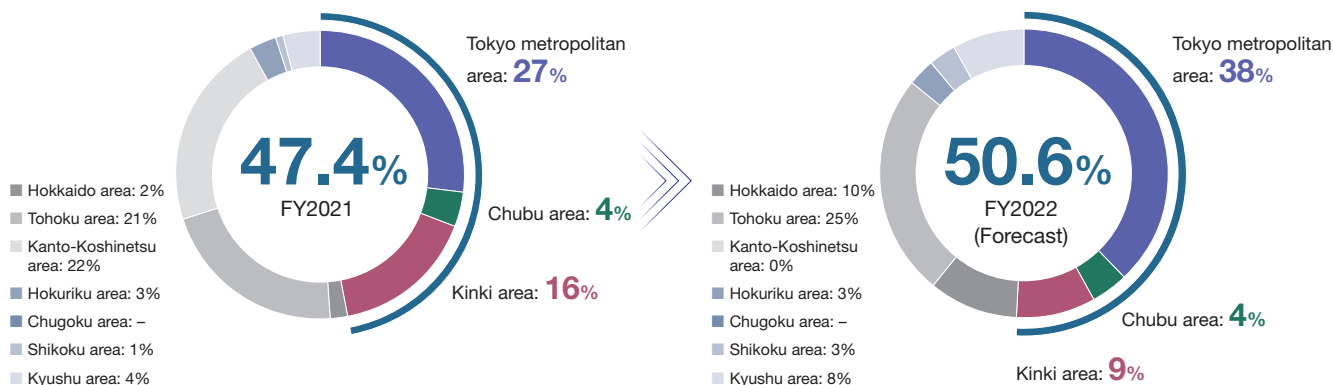


LEBEN SENRI AOYAMADAI GRAN HIGH
(total number of units: 109 units)



LEBEN KANAZAWA WESFORT
(total number of units: 53 units)

Metropolitan Area Ratio

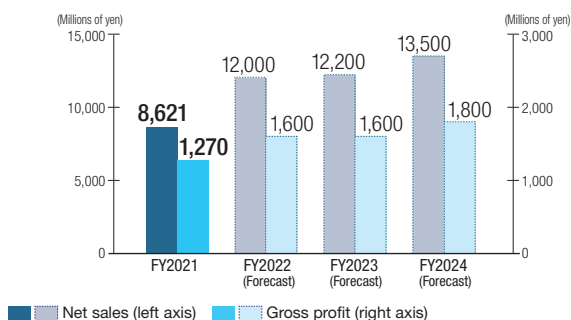


New detached house

Business Overview

The MIRARTH HOLDINGS Group engages in the development, planning, and sale of detached houses. Leveraging the condominium planning and development capabilities that it has cultivated over many years, the Group will continue to generate business synergies by engaging in business activities involving ready-built houses in the same residential real estate field. The new detached house business is spearheaded by the subsidiary Leben Home Build Co., Ltd. (formerly Nikko Takara Corporation), which focuses on constructing high-quality, comfortable spaces with an emphasis on light, water, and air, a unique feature of the houses built by the Company.

Trends in Net Sales and Gross Profit



Review of FY2021

As a result of strategically focusing on target areas, both the number of units sold and sales efficiency are improving. Despite falling short of forecasts, net sales increased 61.8% compared with the previous fiscal year, to 8,621 million yen. Gross profit grew significantly by 142.5% year on year, to 1,270 million yen.



LEBEN PLATZ KAMEARI III

Future Initiatives

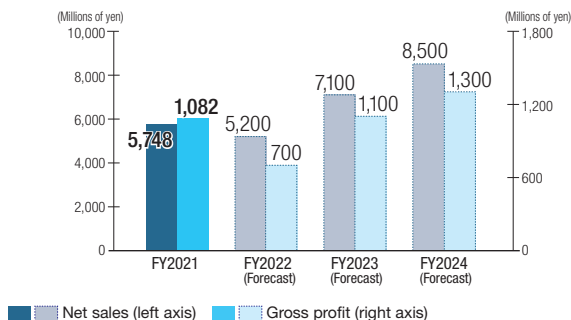
In addition to the impacts of the housing loan tax reduction system and low interest rate environment, trends in the demand for detached houses have been strong. This largely reflects the growing need for large houses, more rooms, and gardens amid the upswing in people working from home during the pandemic. Against this backdrop, the MIRARTH HOLDINGS Group has set the target for the number of units sold at 220 for fiscal 2022, up 22.2% year on year, and 270 units for fiscal 2024, up 50.0% compared with fiscal 2021. Moving forward, the Group will work diligently to put in place a short-term return cycle while rebuilding the purchase and supply system by enhancing area marketing.

Renewal resale

Business Overview

Led by group company Leben Zestock Co., Ltd., the MIRARTH HOLDINGS Group engages in the nationwide purchase and resale of pre-owned condominiums under lease. In order to capitalize on the demand for pre-owned condominiums in areas with high land value, which have been rapidly increasing in recent years, we are aggressively purchasing pre-owned condominiums under lease, undertaking renovations after tenants vacate, and actively promoting resale, maximising use of the real estate network within the MIRARTH HOLDINGS Group.

Trends in Net Sales and Gross Profit



Review of FY2021

The renewal and resale of an entire building undertaken by this business was a factor in boosting performance. As a result, net sales climbed 48.7%, to 5,748 million yen compared with the previous fiscal year. On the earnings front, gross profit grew 76.3% year on year, to 1,082 million yen.



Conceptual image of a pre-owned condominium after renovation

Future Initiatives

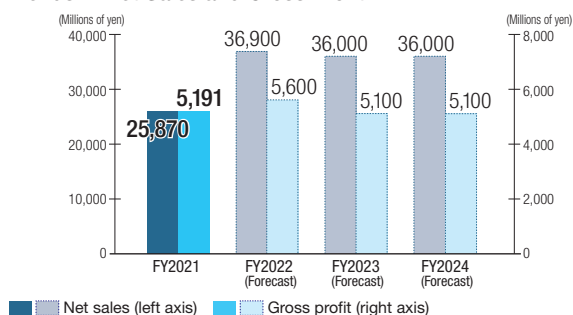
The number of units sold, net sales, and gross profit are all projected to decrease year on year in fiscal 2022. This is mainly due to a decrease in single-building renewal projects. Aiming to establish an even more stable renewal business cycle, we will continue to aggressively secure inventory by strengthening the purchase of properties.

Liquidation

Business Overview

In its liquidation business, the MIRARTH HOLDINGS Group engages in the development of properties such as rental residences and offices as well as their sale including entire buildings to real estate funds. In the real estate sales, the liquidation business follows the new built-for-sale condominium business as the second principal pillar, accounting for approximately 20% of total sales and gross profit. Roughly 70 to 80% of the properties developed in this business are sold to Takara Leben Real Estate Investment Corporation. As such, the Group plays an important role in supporting the growth of the investment corporation.

Trends in Net Sales and Gross Profit

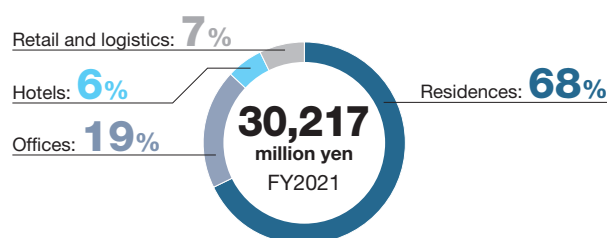


Review of FY2021

Both net sales and gross profit exceeded forecasts owing to the sales of five LUXENA luxury rental condominiums

developed by Takara Leben. Specifically, net sales in the liquidation business totaled 25,870 million yen, comprised largely of residential and office properties sold to Takara Leben Real Estate Investment Corporation, in which Takara Leben is a main sponsor. The investment amounted to 30,217 million yen, 68% of which was in residences.

Investment Amount



Future Initiatives

While office buildings continue to account for a high percentage of the growing number of real estate properties being securitized, residential and logistics facilities that are expected to generate stable rental income are also major targets for securitization. The MIRARTH HOLDINGS Group will actively promote the development of rental residences and optimize its asset portfolio based on the basic policy of continuing to invest 30 to 50 billion yen each fiscal year. In addition to aggressively promoting the development of rental residences, we will engage in developing environmentally friendly properties.

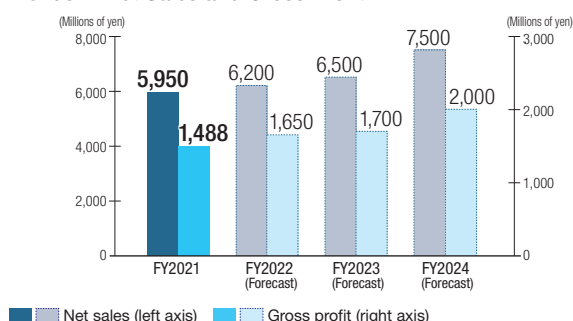
Real estate rental

Business Overview

As a lender, the MIRARTH HOLDINGS Group engages in the rental of real estate including condominiums and offices. We work to secure stable income by actively acquiring rental properties nationwide. The subsidiary Leben Trust Co., Ltd. plays a leading role in securing rental property tenants.

Real estate rental income generated while temporarily holding properties acquired and developed in the liquidation business until they are sold is also included in real estate rental revenues.

Trends in Net Sales and Gross Profit



Review of FY2021

Net sales amounted to 5,950 million yen, up 3.4% year on year, on the back of rental income from apartments, condominiums, office buildings, and other properties. Gross profit came to 1,488 million yen, up 25.7% year on year. Accounting for the aforementioned, the real estate rental business is exhibiting steady progress largely in line with the previous fiscal year.

Future Initiatives

In addition to liquidation, we will work to accumulate stable rental income through long-term ownership as a pillar of the stock business.



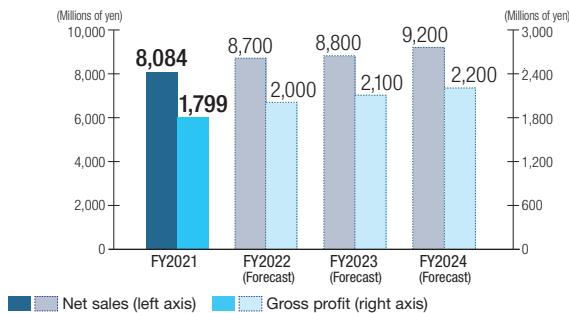
L.Biz Ochanomizu

Real estate management

Business Overview

In addition to the management of new built-for-sale condominium of the MIRARTH HOLDINGS Group, Group company Leben Community Co., Ltd. actively manages properties handled by other companies. Through these activities, Leben Community is steadily expanding the number of managed units. In our real estate management business, we also manage rental properties on behalf of property owners.

Trends in Net Sales and Gross Profit



Review of FY2021

While the number of properties managed on consignment fell slightly short of the forecast of 70,000, at 69,335, both net sales and gross profit increased compared with the previous fiscal year. Through replacement, the percentage of non-Group units managed came to 51.8%.

Future Initiatives

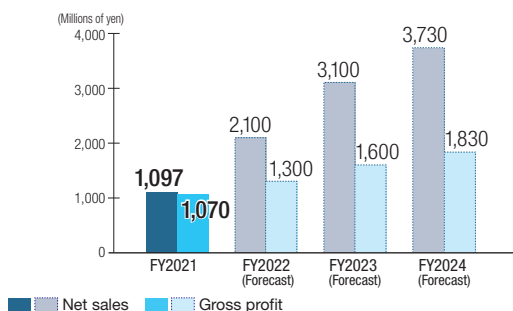
The condominium management market is projected to remain on an upward trend as the number of condominiums for sale increases and management fees climb in tandem with such factors as rising sales prices and the upgrade of common spaces. Under these circumstances, we are promoting the acquisition of replacement projects with a view to acquiring such peripheral businesses as large-scale repair and maintenance work. Additionally, we plan to increase the number of units by 4,465 in fiscal 2022 for a cumulative total of 73,800 units. We will also target further increases in the number of managed units in line with the basic policy of securing stable income as a stock business.

Real estate other

Business Overview

Through its real estate other business, the MIRARTH HOLDINGS Group acts as an intermediary in the purchase and sale of properties. Leveraging wide-ranging resources such as the properties for sale supplied by MIRARTH HOLDINGS Group, managed properties, and rental properties, we are strengthening the real estate distribution business.

Trends in Net Sales and Gross Profit



Review of FY2021

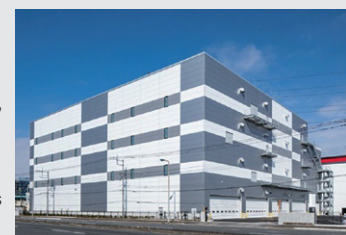
Net sales and gross profit came to 1,097 million yen and 1,070 million yen, respectively, buoyed by such factors as sales agency, brokerage, and distribution fees.

Future Initiatives

In fiscal 2022, net sales are forecast to come in at 2,100 million yen, an increase of 91.3% compared with the fiscal year under review. Gross profit is projected to reach 1,300 million yen, up 21.5% year on year. Moving forward, we will work to increase revenues further and expand our business in accordance with the growth in fee income from each business.

Completion of an Environmentally Friendly Logistics Facility

The MIRARTH HOLDINGS Group completed construction of its first logistics facility, the Noda City Nakazato Logistics Facility, in Chiba Prefecture in March 2022. This is a new initiative undertaken through the liquidation business, a major segment of the Group. Under the Group policy of "environmentally friendly property development," the facility has been equipped with a rooftop photovoltaic power generation system as a part of efforts to realize a decarbonized society. Electricity generated by the photovoltaic power generation system can be used to power the facility. The facility is also an example of asset portfolio optimization in our business, which focuses on residences and offices mainly located in major cities. Looking ahead, we will continue to develop long-term holdings of income-producing real estate and make stable investments as part of our liquidation business.



The Noda City Nakazato Logistics Facility

Strategies by Business Segment

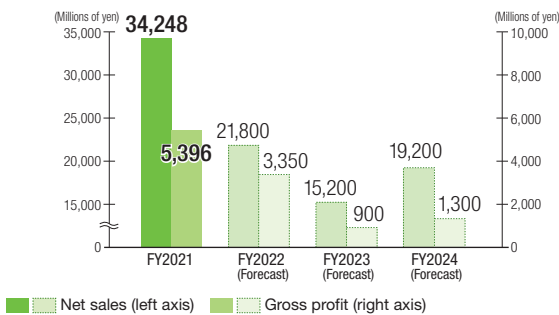


Energy Business

Business Overview

Through its energy business, the MIRARTH HOLDINGS Group develops, operates, and sells power plants that utilize renewable energy in a bid to help reduce CO₂ emissions. We acquire and develop solar power plants on idle land and other places throughout Japan and sell them mainly to Takara Leben Infrastructure Fund, Inc. Takara Leben serves concurrently as operator and tenant of all facilities sold to the Fund. Leben Clean Energy Co., Ltd., which boasts strengths in the development of small- and medium-scale solar power generation facilities, was included in the scope of consolidation as a subsidiary in 2021. Moving forward, we are working to build a new business model.

Trends in Net Sales and Gross Profit



Review of FY2021

Revenue and earnings from both the sale of electricity as well as power generation facilities exceeded forecasts. In particular, revenue from the sale of operational power generation facilities, including the Company's largest LS Chiba Katsuura Power Generation Facility, contributed to the substantial increase in revenue, to 25,379 million yen, up 230.1% year on year. Revenue from the sale of electricity climbed 53.0% compared with the previous fiscal year, to 8,869 million yen in line with the inclusion of Leben Clean Energy

in the scope of consolidation as a subsidiary company. Taking into account scheduled projects, including facilities under development, we have achieved our cumulative generation capacity goal of 360 MW set under the Medium-Term Management Plan ahead of schedule. The MIRARTH HOLDINGS Group is also promoting the development of renewable energy sources other than solar power. The Group acquired



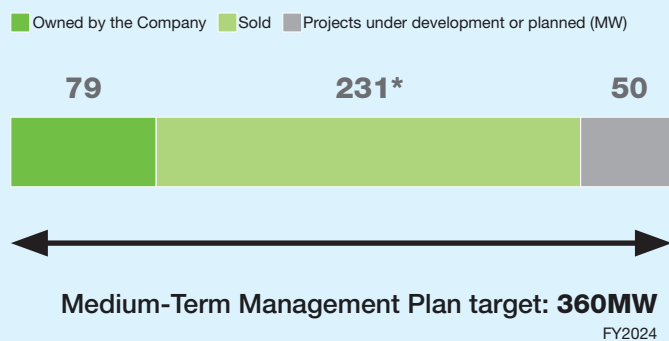
its first wind power plant, Leben Wind Plant Nagasaki Tsushima Power Generation Facility in November 2021.

LS Chiba Katsuura Power Generation Facility

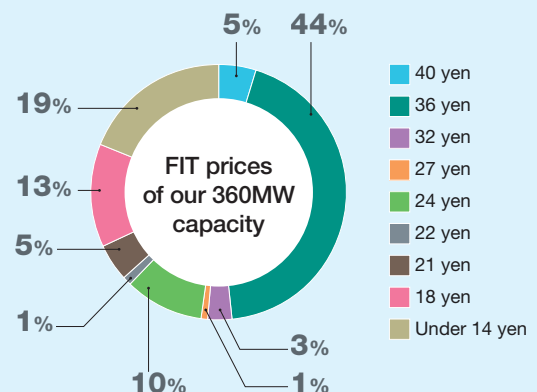
Trends in the Renewable Energy Market

The Japanese government introduced a feed-in-tariff (FIT) scheme for electricity generated from renewable power sources in 2012 to diversify the country's means of power generation. This has allowed a large number of businesses to enter the renewable energy market, significantly expanding it. Furthermore, amid the global trend toward a low and decarbonized society, the government's Sixth Strategic Energy Plan announced in October 2021 calls for a further increase in the ratio of renewable energy, particularly solar power, by fiscal 2030 to achieve carbon neutrality by 2050. In contrast, purchase prices under the FIT scheme are on a downward trend with the scheme scheduled to end in the future. As a result, the need to urgently establish a business model that does not rely on the FIT scheme is emerging as an important management issue for renewable energy operators.

Cumulative Generation Capacity



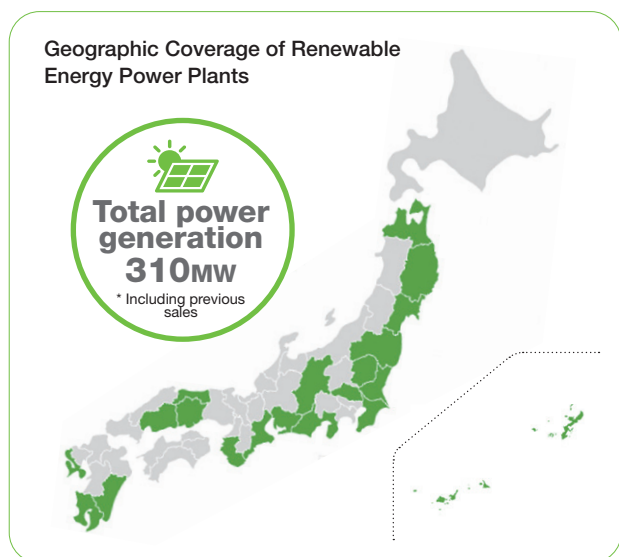
* 23MW of the 231MW sold in fiscal 2021 were from previous sales by Leben Clean Energy



Future Initiatives

Solar power generation development

The MIRARTH HOLDINGS Group has continued to work on FIT scheme mega solar projects. In light of the scheme coming to an end, we will increase the development ratio of small- and medium-scale solar power generation facilities and promote collaboration with partners to establish a new business model. In March 2022 as a part of these efforts, Osaka Gas Co., Ltd. invested in Leben Energy No. 1 LLC, which owns and operates small- and medium-sized solar power generation facilities developed by Leben Clean Energy. By combining Osaka Gas' business foundation in the electric power business with Leben Clean Energy's project development capabilities, we will promote and expand the use of renewable energy while leveraging each company's respective strengths.

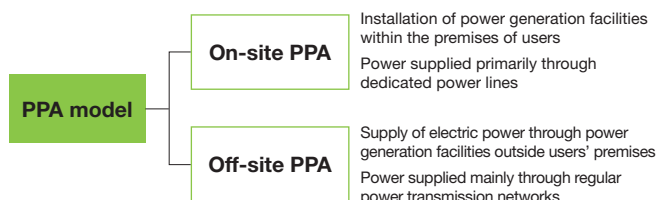


PPA initiatives

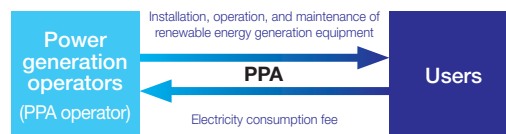
Power Purchase Agreements (PPAs) which are direct purchases by electric power users are a promising business model after the FIT scheme comes to an end. PPAs are in fact categorized into the two business models: on-site and off-site PPA. Under the on-site model, power generation companies install power generation facilities within the

premises of users and supply electric power through dedicated power lines. In the case of the off-site model, power generation companies supply electric power through regular power transmission networks from power generation facilities outside users' premises. Through each business model, we are working to expand the PPA business within the energy segment through flexible proposals. Taking into consideration the needs of users and their concerns surrounding such issues as costs and power generation demand, we will, for example, promote on-site PPAs that lower initial costs and off-site PPAs that allow for large power generation capacity.

Direct and Bilateral Energy Trading PPA Model



On-site PPA model



Local microgrid concept

The term microgrid, which can be compared to a local production for local consumption framework for energy, refers to a mechanism that is designed to build a small-scale energy network that brings the energy supply source and consumption facilities together within a specified region. The MIRARTH HOLDINGS Group has identified the harmonious coexistence of people, nature, and society as well as co-creation with local communities as a set of new values. Looking ahead, we will promote the PPA model and microgrid system initiative to achieve sustainable growth and contribute to the local community.

Promoting the Biomass Power Generation Business

MIRARTH entered the biomass power generation business in 2021, and commenced demonstration operations at the Fujisan Asagiri Biomass Power Plant (Fujinomiya City, Shizuoka Prefecture) with a view to initiating electricity sales in fiscal 2022. The power plant generates electricity by burning biogas generated through the fermentation process of cow manure collected from members of the Fuji Kaitaku Agricultural Cooperative Association, which emits less CO₂ than the direct burning of wood waste and combustible waste. In addition, plans are in place to commence sales of the liquid fertilizer produced in conjunction with the biogas. This initiative is designed to help build a regional recycling-oriented symbiosis zone by supplying clean energy through the effective use of waste while solving the problem of disposing of cow manure.



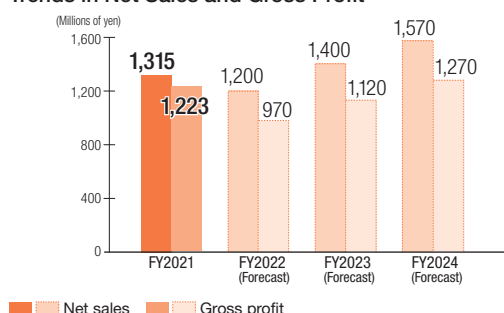
Fujisan Asagiri Biomass Power Plant

Asset Management Business

Business Overview

In accordance with the change in business segments, the management compensation portion of the other business segment was separated as a stand-alone business and renamed the asset management business. Through the Group's asset management company, this business is responsible for the management of real estate investment trusts in Japan (J-REITs), infrastructure funds, and private funds.

Trends in Net Sales and Gross Profit



Review of FY2021

The earnings structure of the asset management business has grown in line with increases in the balance of assets under management of the various funds managed by the MIRARTH HOLDINGS Group and property transaction fees. Our goal is to achieve an asset scale of 300 billion

yen from each of our various funds by March 31, 2025. As of March 31, 2022 the balances of infrastructure funds, J-REITs, and private funds were 68.6 billion yen, 107.8 billion yen, and 33.5 billion yen, respectively, on an acquisition price basis, for a total balance of 209.9 billion yen. We have steadily accumulated assets under management.

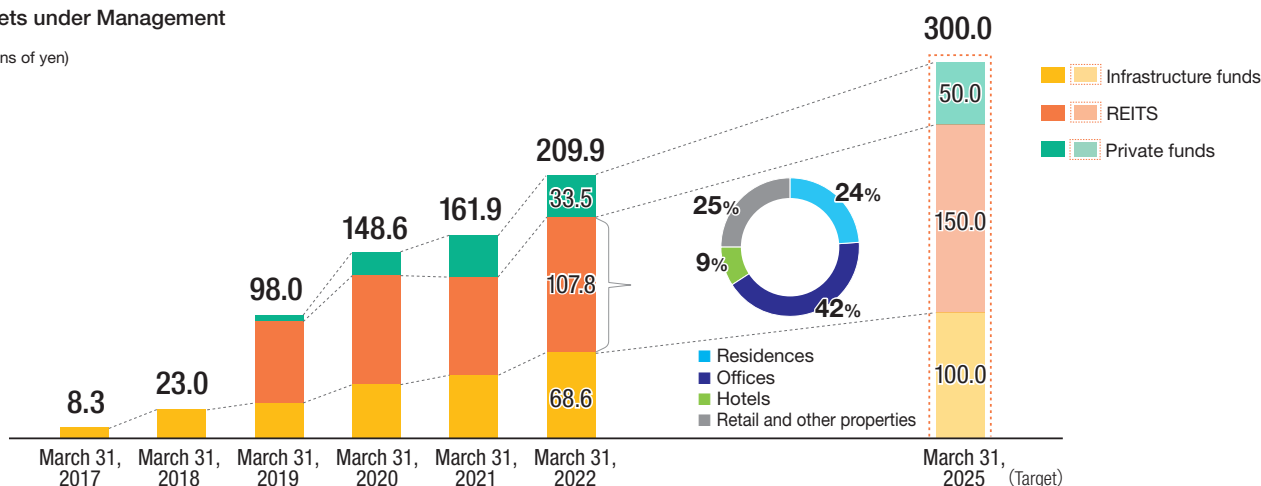
Future Initiatives

Net sales in the asset management business are projected to decrease 8.8% compared with the fiscal year under review, to 1,200 million yen in fiscal 2022. On a year-on-year basis, gross profit is forecast to decline 20.7%, to 970 million yen, and operating income to fall 54.5%, to 270 million yen. This largely reflects the anticipated downturn in such items as property acquisition fees paid by Takara Leben Real Estate Investment Corporation. Moving forward, we will work to further build up asset management fees by expanding the assets under management of Takara Leben Real Estate Investment Corporation, Takara Leben Infrastructure Fund, Inc., and private funds in a bid to grow this as a new pillar of the Group.



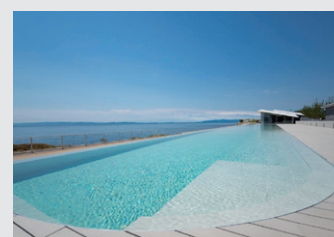
Assets under Management

(Billions of yen)



Grand Opening of the National Park Park-PFI Project AQUAIGNIS AWAJISHIMA

AQUAIGNIS AWAJISHIMA, a natural hot spring resort complex opened in July 2022. Located in Awaji City, Hyogo Prefecture, this project in which Takara Leben and Takara Asset Management Co., Ltd. participate forms part of the MIRARTH HOLDINGS Group's goal of contributing to regional revitalization nationwide. AQUAIGNIS AWAJISHIMA is the first nationally certified national park (Park-PFI) project, a method of development and management that utilizes the funds of private businesses through public offerings. Taking into consideration Takara Asset Management's role in managing the project funds, the Group's participation extends beyond the real estate business to include asset management. Through this initiative, we aim to further expand our financial business, and in cooperation with other industries, we will help to secure regional revitalization and increase the value of each region as a new business scheme.



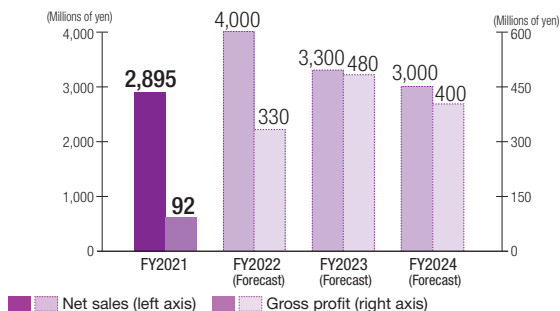
AQUAIGNIS AWAJISHIMA

Other Businesses

Business Overview

The MIRARTH HOLDINGS Group is actively engaged in a wide range of business activities related to the people's housing needs, which continue to evolve in a myriad of ways. With the decision to reorganize its business segments, the Company separated the management compensation portion included in other businesses as the asset management business. With the transfer of management control over such earnings streams as sales, brokerage fees, and revenue from repair work to the real estate business, the other business segment is largely comprised of construction subcontracting and the direct management of rehabilitation centers and hotels. While Leben Home Build Co., Ltd. spearheads the construction business, Leben Community Co., Ltd. is responsible for the nursing care business. In addition to newly establishing the Hotel Management Division with Takara Leben to promote the hotel business, Leben Hotels Co., Ltd. is charged with the responsibility of hotel management.

Trends in Net Sales and Gross Profit



Review of FY2021

Net sales in the other business segment totaled 2,895 million yen. This was due to a variety of factors including revenues from contracts for construction work, orders for large-scale repair work, and commission income. Despite these results, repair and construction work fell below targets due to the impact of COVID-19.

“My Reha” Day Care Service Specializing in Rehabilitation

My Reha, is a daycare service specializing in rehabilitation, operated by Leben Community, provides facilities rooted in

the community specifically to those certified as requiring support or nursing care, while taking into conditions infection control measures. As Japan's society continues to age and the number of people worried about their health in their senior years grows, My Reha focuses on what happiness means for its users. This service uses unique programs to help extend users' health lifespans.



A red cord exercise developed in Norway, a rehabilitation pioneer, that uses a red cord suspended from the ceiling.

Opening of HOTEL THE LEBEN OSAKA

The MIRARTH HOLDINGS Group launched the first HOTEL THE LEBEN proprietary brand as one initiative in its hotel business and opened HOTEL THE LEBEN OSAKA in Osaka City, Osaka Prefecture, the first hotel in this series on March 24 to commemorate its 50th anniversary in September 2022. Drawing on our expertise in providing comfortable spaces for everyone, cultivated through our home manufacturing activities as a general real estate business developer, we are exploring how “the happiness” should feel during a hotel stay, while building a business structure that goes beyond the provision of housing aligned to changes in lifestyles.



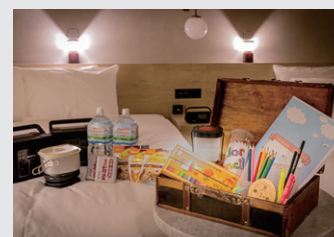
HOTEL THE LEBEN OSAKA

Future Initiatives

Net sales in this segment are projected to come in at 4,000 million yen, up 38.2% compared with the fiscal year under review. Operating income is projected to total 50 million yen compared with the operating loss of 216 million yen in fiscal 2021. In the future, the MIRARTH HOLDINGS Group will work to definitively capture earnings opportunities derived from other segments and expand peripheral businesses while strengthening synergies across the Group.

HOTEL THE LEBEN OSAKA Disaster Prevention Experience Mission Plan

The MIRARTH HOLDINGS Group has developed the Disaster Prevention Experience Mission Plan as an opportunity for families to learn about disaster prevention. This plan provides participants with the simulated experience of a disaster by having them spend a day in an inconvenient guest room with no lighting, use disaster prevention goods, and eat preserved food. Using a booklet entitled “Disaster Prevention Mission 7: Let's Make Disaster Prevention Rules for Our Home” provided in the room, participants carry out seven missions, including deciding on an evacuation site to meet and thinking about disaster prevention goods for the family, and complete their own disaster prevention rule book, which they can then take home and utilize. Looking ahead, we plan to actively contribute to local disaster prevention and disaster education for children by distributing the booklet and inviting students to participate in the plan at public institutions and schools in the neighborhood.



HOTEL THE LEBEN OSAKA Disaster Prevention Experience Mission Plan goods

Sustainability in the MIRARTH HOLDINGS Group

Sustainability Basic Policy

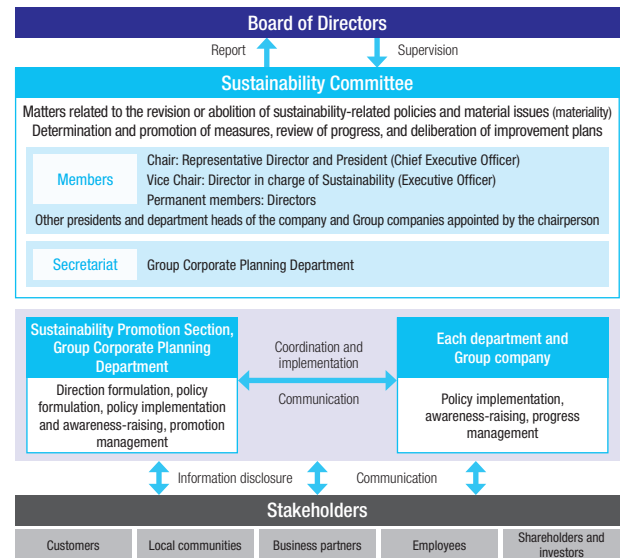
The MIRARTH HOLDINGS Group holds as its purpose: “To design sustainable environments for a happier future for both people and our planet.” and contribute to solving social issues and achieving the SDGs by engaging in sustainability activities through our business, such as the supply of housing and the introduction of natural energy, in order to gain the trust of different stakeholders and society and achieve lasting development.



Sustainability Promotion System

The Group has established a sustainability promotion system based on the recognition that “addressing issues surrounding sustainability, including consideration of climate change and other global environmental issues, respect for human rights, consideration of employee health and the working environment and fair and appropriate treatment of employees, fair and appropriate transactions with business partners, and risk management in the event of natural disasters are important management issues.”

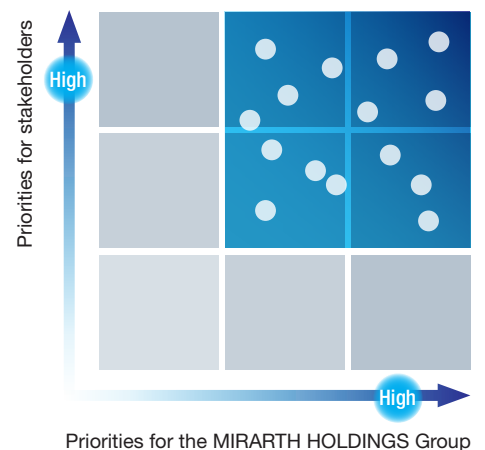
The Sustainability Committee, chaired by the Representative Director and composed of directors, presidents and division heads of group companies, is responsible for promoting ESG strategies, determining policies and measures concerning sustainability, examining and promoting key issues, reviewing progress, and deliberating on improvement plans.



Key Themes and Key Issues Identification Process

The Group has identified key themes and key issues (see page12) through the following steps.

- STEP 1** **Grasp and organize social issues**
We identified 31 issues relating to the business environment based on GRI, SDGs, SASB, and other international guidelines, as well as our Group philosophy and Medium-Term Management Plan and requests from our customers, shareholders and investors, local communities, employees, and other stakeholders.
- STEP 2** **Evaluate the significance from the MIRARTH HOLDINGS Group's perspective**
We set priorities by sorting out the results of questionnaires completed by all employees, including the management and officers, and each issue's relation with our business and Group philosophy.
- STEP 3** **Evaluate the importance of our stakeholders' perspectives**
We set priorities by sorting out the results of questionnaires completed by customers, shareholders and investors, and business partners and the requirements based on international guidelines such as the GRI and the SDGs.
- STEP 4** **Identify key issues**
The key issues were identified after the priorities were reconsidered from the perspectives of the MIRARTH HOLDINGS Group and our stakeholders, and reviewed by the management.
- STEP 5** **Policy setting for key themes**
Policies were set for the four key themes.



Received High Evaluation from GRESB*

For the third consecutive year, MIRARTH HOLDINGS participated in the 2021 GRESB Infrastructure Asset Evaluation. It received an overall score higher than last year's as a result of particularly high recognition of the solar power generation facilities owned by Takara Leben Infrastructure Fund and our various ESG-related policies and target setting, as well as disclosure of our ESG initiatives. We also received a "4-star" rating in the "GRESB Rating," which is a five-level rating based on global relative rankings, surpassing last year's rating.

Furthermore, Takara Leben Infrastructure Fund participated in the GRESB Infrastructure Fund Evaluation for the third consecutive year and was awarded the highest "5-Star" rating in the "GRESB Rating" as well as being selected as an "Asia Sector Leader."

In addition, Takara Leben Real Estate Investment

Corporation received a "Green Star" rating in the 2021 GRESB Real Estate Assessment for the third consecutive year, which indicates that the company received high marks for both management and performance with respect to environmental, social, and governance (ESG) considerations.

* The name of an annual benchmark assessment to measure the ESG considerations of companies and funds that own and manage real assets (real estate and infrastructure) and the organization that administers the assessment, created in 2009 by a group of major European pension funds that spearheaded the Principles for Responsible Investment (PRI).



MIRARTH HOLDINGS Signs UN Global Compact*

In 2020, MIRARTH HOLDINGS signed the United Nations Global Compact promoted by the UN and registered as a participating company. We will continue our efforts to achieve the Ten Principles of the UN Global Compact in four areas:

human rights, labor, environment, and anti-corruption.

* The United Nations Global Compact was proposed by then UN Secretary-General Kofi Annan in 1999 at the World Economic Forum in Davos and was launched in 2000.

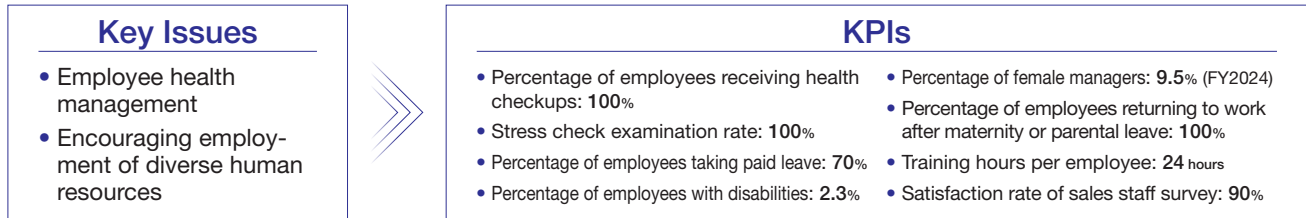


Relationships with Stakeholders

| Main Stakeholders | Expectations and Requests | Major Responses of the Group |
|--|---|--|
| Customers (corporations and individuals) →P.42 Definition <ul style="list-style-type: none"> Contracting parties and tenants of condominiums and detached houses Users of tenant buildings Users and others of various services | <ul style="list-style-type: none"> Supply of valuable products and services Improvement of customer satisfaction in all areas, including quality and cost Supply of environmentally friendly products Provision of accurate and appropriate information concerning products and services | <ul style="list-style-type: none"> Introduction of online consultation system Introduction of online condominium show room system Provision of "clean air and spaces" Provision of properties with ZEH-M Oriented certification Administration of sales staff questionnaire Publication of "Smilax" quarterly |
| Local communities →P.42 Definition <ul style="list-style-type: none"> Local communities, residents, local governments, etc. related to MIRARTH HOLDINGS Group business | <ul style="list-style-type: none"> Prevention of accidents and disasters Collaboration and coordination in solving social issues Securing of employment Participation in social contribution activities | <ul style="list-style-type: none"> Participation in and sponsorship of local events Holding of community events at managed properties Implementation of social contribution activities Regional revitalization through rebuilding and redevelopment business |
| Trading partners Definition <ul style="list-style-type: none"> Construction contractors Business operators and others related to the provision of various services | <ul style="list-style-type: none"> Fair and evenhanded transactions Information sharing and collaboration with the aim of ensuring customer satisfaction and CSR procurement | <ul style="list-style-type: none"> Fair and evenhanded transactions Collaboration and coordination in operations |
| Employees →P.38 Definition <ul style="list-style-type: none"> MIRARTH HOLDINGS employees and their families | <ul style="list-style-type: none"> Creation of prosperous lives for employees and their families Human resource utilization and development Appropriate evaluation and compensation Respect for human rights, personality, and individuality Creation of workplaces in which diverse personnel can thrive Attention to occupational health and safety | <ul style="list-style-type: none"> Implementation of training programs Implementation of human resource and evaluation interviews Operation of help line desks Introduction of a Telework System Promotion of staggered commuting times and reduced working hours Establishment of a Health Committee |
| Shareholders and investors Definition <ul style="list-style-type: none"> Individual and institutional investors | <ul style="list-style-type: none"> Maintenance and improvement of corporate value Securing of stable profits and appropriate return of profits Enhancement of corporate governance system Creation of risk management systems Appropriate disclosure of corporate information at appropriate time | <ul style="list-style-type: none"> Holding financial results briefings and general meetings of shareholders Conducting individual meetings with domestic and overseas institutional investors Conducting shareholder surveys Holding company-introductory sessions and participating in IR fairs Disclosing IR information on the website Obtaining external certification |

Together with Employees

The MIRARTH HOLDINGS Group promotes “personnel development and the establishment of a rewarding workplace environment,” which is one of seven elements of the Medium-Term Management Plan. We believe that securing and developing excellent human resources is essential for the Group’s sustainable growth, and we are therefore striving to enhance our corporate culture and human resources system to enable a diverse array of employees to play an active role.



→Please click the link below for more details.

<https://mirarth.co.jp/en/sustainability/social/employee/>

Personnel System

Basic Policy for personnel system

The MIRARTH HOLDINGS Group has formulated a Basic Policy for Personnel System with the belief that each employee is a co-creator of lasting growth for the future.

Personnel system which consistently nurtures talent required to achieve management plan

- Clearly state the type of people required by the company to build a framework where employees can set out their career visions
- Review distribution of labor costs to secure and keep talented people as well as improve motivation
- Conduct training and selection to generate talented people for management positions
- Carry out evaluation and treatment that are highly fair and transparent to nurture employees’ sense of acceptance and increase their desire to grow

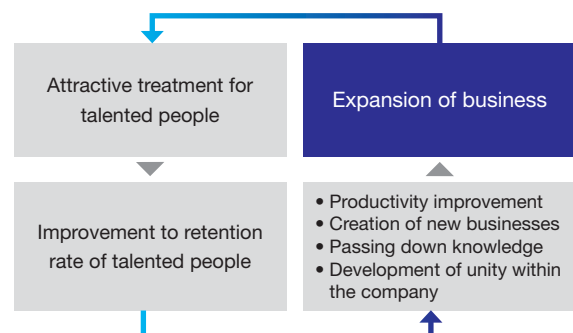
Objectives and effects of personnel system revision

Since 2019, the Group has been promoting a new human resource system that will create the consistent human resources needed to achieve our business plan in accordance with the Basic Policy for Personnel System.

Under this system, evaluation items are set for each grade and job classification based on a “Promise”: specific daily actions that employees should take. Additionally, to realize appropriate, fair and transparent evaluation, and treatment, revisions have been made to the behavioral evaluation, such as aligning evaluation criteria by the evaluation committee. Through these efforts, we aim to provide more convincing feedback to employees and improve evaluation skills by promoting understanding of the significance of the evaluation system and evaluation criteria among managers. Going forward, we will continue to improve our personnel system and improve the retention rate of talented human resources through attractive compensation, thereby expanding our business and ultimately increasing our corporate value. We will also consider formulating a new personnel system in conjunction with the transition to a holding company organization.

12 Actions for Our Promise

- Fully engage in work
- Enjoy work from the heart
- Speak truthfully from the heart
- Be serious in each and every task
- Respect each other
- Pursue the right things
- Pay attention to feelings
- Act swiftly
- Take initiative to propose, and carry through actions
- Treat teamwork with importance
- Remove existing barriers
- Never give up



Educational System

Basic policy on education and training

The MIRARTH HOLDINGS Group works to reinforce its educational and training programs by formatting the Basic Policy on Education and Training with the aims of promoting the growth of each employee and enhancing overall organizational strength.

- In addition to development based on our corporate vision, nurture human resources who can express pride to stakeholders as members of society.
- Implement programs that enable each employee to feel a sense of personal growth and design over their career.
- Enhance the organization and work management skills necessary for each job rank, including leadership and developmental capabilities and organizational management capabilities, linked with the personnel evaluation systems.
- Support the acquisition of specialized knowledge and the other business skills necessary for the execution of business.

Training system

In fiscal 2021, we systematically implemented programs to enable employees to acquire and enhance the knowledge and skills that they need, including rank-based training

such as training for all new employees and training for selected personnel in accordance with the aforementioned policy.

Training Structure Chart

| Grade | Definition | Scope | Company-wide education | Rank-based | Workplace | Selective | Others |
|----------|---|--------------|--|---|--|---|--|
| Officers | <ul style="list-style-type: none"> • Management strategy formulation and decision-making • Corporate management | Company | Vision, Mission and Promise Compliance and Harassment Evaluator training | <ul style="list-style-type: none"> • Management strategies • Company operations | 360-degree evaluation On-the-job training Practical knowledge training | Evaluation Improving organizations Improving operations | Real estate notary qualification acquisition support e-learning |
| M3 | <ul style="list-style-type: none"> • Strategy implementation and management in one's organization • Achieving group targets • Effective organizational operation • Department manager development | Organization | | <ul style="list-style-type: none"> • Management strategies • Business development | | | |
| M2 | <ul style="list-style-type: none"> • Strategy implementation and management in one's organization • Achieving department targets • Effective organizational operation • Section manager development | Team | | <ul style="list-style-type: none"> • Organizational management | | | |
| M1 | <ul style="list-style-type: none"> • Strategy implementation and management in one's organization • Achieving section targets • Effective organizational operation • Developing subordinates | | | <ul style="list-style-type: none"> • Fundamental management skills | | | |
| G3 | <ul style="list-style-type: none"> • Directing and guiding subordinates • Central roles in business execution, improvement, and problem-solving | Individual | | <ul style="list-style-type: none"> • Leadership • Problem-solving | | | |
| G2 | <ul style="list-style-type: none"> • Performing one's work duties under the general direction of supervisors • Business execution, improvement, and problem-solving | | | <ul style="list-style-type: none"> • Logical thinking abilities • Followership | | | |
| G1 | <ul style="list-style-type: none"> • Performing one's work duties under the detailed direction of supervisors • Acquiring business experience and knowledge | | | <ul style="list-style-type: none"> • Business stances • Business etiquette • Fundamental practical skills • Listening ability • Identifying problems • Setting and managing targets | | | |

VOICE

Takara Leben Co., Ltd.

Osaka branch office, Development Department

Yukihiro Kawakami

Anticipate more dynamic initiatives to help employees form career plans

I attended training for each year and position, including follow-up training for new graduates during their first three years and training by job level. During the training for selected section managers, serious discussions were held with people in other departments with the same positions as myself. The discussions were about the current state of the Company and areas for improvement, instilling the realization that the motivation and values of each employee create the culture of the Company. This stimulating training has inspired me to take action on my own. The Company conducts a variety of training programs, but I feel that it would be good to have more practical training that is not only classroom-based but also cross-departmental. At the moment, I am exclusively engaged in purchasing land for condominiums for sale, but I would like to become an employee who can see and think from multiple perspectives by gaining experience in a variety of jobs, rather than focusing on one job. I believe that I am already in an environment filled with various opportunities such as transfers. However, I hope that the Company will work harder to support the formation of career plans for its employees.

Together with Employees

Entry-level employee training

All new employees undergo periodic training for three years after joining the Company to foster awareness as members of society, members of an organization, and employees, as well as to increase self-awareness of their own work duties and responsibilities within the Company and to acquire the skills required to produce results as professionals. In accordance with the New Employee Three-Year Educational Program, new employees undergo training in their first, second, and third years to clarify their roles, targets, objectives, in addition to fostering employees who can exercise initiative.

Support for acquisition of real estate notary qualifications

The MIRARTH HOLDINGS Group encourages employees to obtain registered real estate transaction agent qualifications (“Takken”) by making the submission of an education-

al plan mandatory, purchasing educational materials, and conducting practice tests.

Job rotation

We are revitalizing our job rotation system, in which employees regularly change workplaces and duties. By having young employees experience job moves across division and department lines, we are promoting greater understanding of the overall Company’s management policies and strategies, the pursuit of employees’ full potential, and adaptability to different working environments. We are also supporting cross-departmental reassignments when requested by mid-level employees. This not only further supports their individual spirit of challenge, but also helps cultivate generalists with broad-ranging knowledge and skills, deepening bonds between departments and enhancing the strength of the organization as a whole.

Promoting Diversity

Respect for human rights

The MIRARTH HOLDINGS Group acts with respect for the fundamental human rights of all stakeholders, including employees, while observing laws and regulations, social ethical norms, and matters specified in ethical rules.

Promoting women empowerment in the workforce

As part of our efforts to develop human resources and create a rewarding work environment, MIRARTH HOLDINGS has launched the “Women’s Activity Promotion Project.” The project is based on the feedback of female employees working for the Group and aims to create an environment in which they can continue working longer than ever with peace of mind after returning from maternity or childcare leave.

In fiscal 2022, we introduced a “discount system for babysitters” to support a work environment where employees can continue to work with peace of mind while balancing work and childcare. Looking ahead, we will develop systems that enable employees to work with peace of mind while balancing work and family life, while pursuing initia-

tives to enable each employee to implement independent work styles.

Promoting employment of persons with a disability

We take measures to promote diversity with the aim of becoming a business group where diverse human resources can thrive regardless of gender, age, nationality, or disability.

Leben Village, a farm located in Chiba City, Chiba Prefecture, employs three persons with a disability and one manager and produces a variety of vegetables that are distributed to employees who request them. The name Leben Village reflects our desire to form one community like an idyllic village to enhance cohesion. Going forward, we will work to create a rewarding and secure long-term environment for people with disabilities.

VOICE

Need to enhance systems that support diverse work styles and foster a corporate culture that facilitates their use

I am in charge of external advertising such as press releases and magazine ads, as well as internal advertising like PR newsletters. After returning to work after childcare leave, I have been working shorter hours and teleworking, and I am assigned mainly to tasks that can be handled from home so that I can nurse my child or work even when daycare is closed. However, when daycare closures meant keeping my child at home, I had to work while looking after my child. Doing this every day was exhausting both physically and mentally, making it difficult to balance work and family life. While assessing my own capacity and effectively using available systems, I would like to actively engage in internal and external public relations activities while looking for situations where I can make use of my strong creative skills. In the future, I will communicate my experiences and thoughts through personnel interviews and career path sheets to further enhance systems that support diverse work styles such as time off and super-flex time, as well as to foster a corporate culture that makes it easier for employees to use these various systems.

Takara Leben Co., Ltd.
Public Relations Department
Satoko Wada

Creation of Comfortable Workplace Environments

The MIRARTH HOLDINGS Group strives to create workplaces where employees can thrive and reach their full potential.

Introduction of a telework system

In April 2019, the MIRARTH HOLDINGS Group introduced a telework system. Employees who meet specific conditions, such as those related to the content of their work, or employees who have given birth, are parenting, or who provide nursing care, can work remotely up to three times a week, without coming to the office. We plan to further promote this telework system with the aim of creating workplaces that enable flexible work styles not fixated on specific locations or times and contributing to our business continuity plan (BCP).

Efforts to reduce working hours

The Company promotes a “time-conscious and efficient work style” with the aim of improving employee health. We are promoting the creation of workplaces where employees do not work long hours mainly by ensuring that overtime is in principle limited to 45 hours per month and 60 hours six times a year. We are considering reflecting this in personnel evaluations by visualizing the actual work conditions. In addition, we have introduced a system to reduce overtime hours that involves shutting down PCs if employees continue to use them without submitting overtime work requests to management. On the other hand, it is expected that managers will be able to visualize the details of their subordinates' overtime work, thereby increasing their awareness of the need to manage the organization in a well-balanced manner.

Enhancement of Communications with Employees

MIRARTH HOLDINGS Group conducts personnel interviews with all employees in order to improve labor and workplace environment that encourages employees to remain with the Company over the long run. The aims are to gather information on how to reduce overtime work, investigate improvement measures by gaining an understanding of employee career plans, and build relationships that encourage employees to discuss issues. In addition,

we operate an intra-Group website Takara Note to promote better understanding of the Group and invigorate communication by sharing information and distributing video messages from management that maximize Group synergy.



Takara Note

Employee Health & Safety Management

In accordance with the Basic Policy on Health and Safety, the MIRARTH HOLDINGS Group pursues measures to create work environments where all employees can work with peace of mind by managing employee health and safety.

Health Committee

The Health Committee meets regularly, positioning traffic accidents, occupational accidents, and overtime work as major risks that threaten the health and safety of workplace employees. It reports on the conditions of these risks and engages in deliberations with the objective of resolving these issues. Committee members point out specific problems with workplace environments and customs that impede efforts to reduce overtime hours and encourage the taking of holidays. Measures to address these problems are deliberated together with members of management and successively implemented.

Working to eliminate accidents

The Group strives to eliminate labor accidents at workplaces and construction sites. In addition to daily inspections, Leben Home Build—which mainly engages in condominium construction—is working to achieve safer construction sites by conducting health and safety patrols at least once a month.

Moreover, top management also conducts joint special patrols with partners once a quarter. In July 2021, in conjunction with National Safety Week,* we visited four actual construction sites with representatives from eight partner companies to check working conditions from the perspectives of daily management, on-site maintenance, accident prevention, fall prevention, and machine accident prevention and to encourage the implementation of measures.

* National Safety Week

An initiative of the Ministry of Health, Labor, and Welfare and the Japan Industrial Safety and Health Association to promote voluntary industrial accident prevention activities, raise safety awareness, and establish safety activities in the industrial sector.

Together with Customers and Local Communities

The MIRARTH HOLDINGS Group aims to be a “future environment design company that makes the future of people and the Earth happier,” and therefore actively engages in business that considers the “happiness” of people and lifestyles in order to create “happiness” for communities and society. By offering new value that addresses today’s diversifying lifestyles, we contribute to the solutions for society’s challenges.

Key Issues

- Support for diversifying lifestyles and globalization
- Urban development and creating towns
- Responses to changes to business models brought by an ageing society and depopulation
- Providing safe, secure products and services

KPIs

- Supply of NEBEL series condominiums 3
- Redevelopment projects undertaken 2
- Number of nonconformities related to business processes and quality standards 10 or less
- Implementation of preventive action sharing meetings
- Community sponsorships 10
- Training of SQMS® masters
- Acquisition rate of housing performance evaluation certificates 100%

→Please click the links below for more details.

Customer

<https://mirarth.co.jp/en/sustainability/social/customer/>

Local Communities

<https://mirarth.co.jp/en/sustainability/social/society/>

Initiatives for Safety and Peace of Mind

The MIRARTH HOLDINGS Group engages in various initiatives that ensure the earthquake and fire resistance of our buildings, conduct disaster preparedness drills, and improve the quality of our management services, in order to deliver lifestyles that offer safety and peace of mind to our residents.

Thorough process inspections

The MIRARTH HOLDINGS Group conducts stringent checks at the construction stage to provide housing where people can live for a long time with peace of mind. We put great effort into ensuring thorough quality management, with our staff regularly visiting construction sites to inspect building structures and conduct checks within the construction process of hidden areas, foundations, and finishing.



Process inspection (Image)

Earthquake- and fire-resistant structures

The Group adopts the most appropriate construction method for the characteristics of the subsoil and its capacity to support the foundation in an effort to improve the earthquake resistance of our buildings and to enable our customers to live safely and with peace of mind. In the construction of condominiums, we employ pile foundations, where strong piles are directly driven into the ground to the supporting layer, spread footing foundations, which provide support directly using firm subsoil, and seismic isolators, which disperse earthquake energy and dampen extreme, long-period building swaying. In the construction of detached housing, we employ a mat foundation method as a standard feature, whereby a steel-reinforced concrete slab is laid underneath the entire wood floor to support the building, establishing a strong foundation.

Moreover, the thickness of the concrete walls between

our condominium units, which require a high level of fire resistance and soundproofing, is approximately 180 mm, while fire-resistant and soundproofing construction is used for the piping within pipe spaces facing residents’ rooms.

Disaster prevention

It is not easy for residents to properly use condominium firefighting equipment in the event of a fire or to rapidly evacuate the condominium via its evacuation routes. Leben Community therefore conducts disaster preparation drills in conjunction with management associations, especially in large condominiums. These drills support residents by ensuring they can respond properly in the event of an emergency. This includes allowing them to experience evacuation from upper-level floors via stairs, evacuation via ladder trucks, evacuation by breaking partition boards on balconies, and initial firefighting using fire extinguishers. In fiscal 2021, we made proposals that aligned with the wishes of the management associations, such as allowing for the associations to attend inspections in a way that avoided the three conditions that facilitate the transmission of infectious diseases (closed spaces, crowds, and close contact) during the COVID-19 pandemic. We will continue our efforts to strengthen the community’s disaster preparation through disaster drills suited to the actual conditions of each condominium.



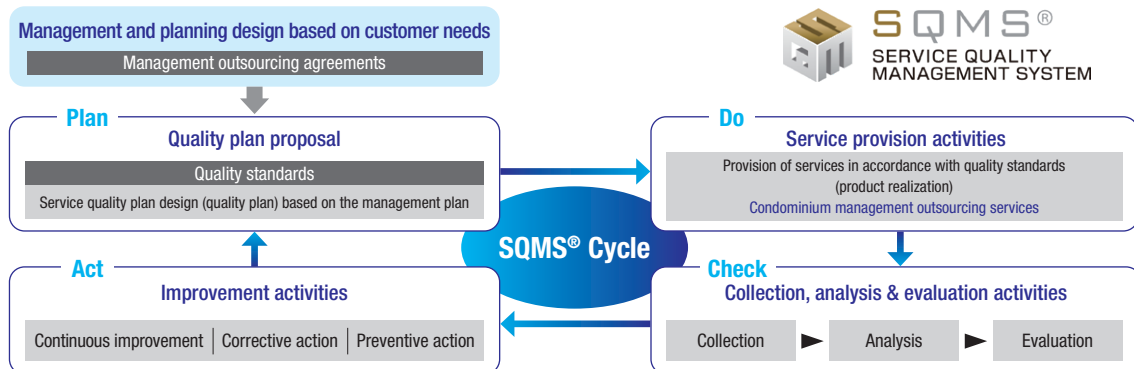
View of a disaster preparation drill

Service Quality Management System (SQMS®)

Variation in the quality of services provided by different people has become a problem for condominium management operations, especially when this variation results from providing services dependent on individual capabilities. Leben Community therefore promotes our proprietary Service Quality Management System (SQMS®), which applies ISO 9001, an international standard for quality management systems, to condominium management, and promotes quality man-

agement systems that stabilize the quality of our services. SQMS® provides condominium management as a set of four support services (site management, financial management, asset management, and operations management), and applies a PDCA cycle to each to continuously improve quality. Specifically, the system provides feedback to the relevant departments on the opinions of condominium management association members, collected through questionnaires, which leads to improvements in the quality of services.

SQMS® Process Chart (Service Quality Management)



Quality-related education and training

Leben Community works to develop human resources who understand and practice SQMS®. We conduct training on the core concepts of SQMS® for young employees. Leben Community also certifies SQMS® Master employees who

have extensive practical experience and are well versed in SQMS® concepts, quality standards, process management, and grants them SQMS® badges. The SQMS® Master program was launched in fiscal 2018, and 13 employees have been certified to date.

VOICE

Striving to further improve the quality of our management services via SQMS® and to raise the visibility for our services

Leben Community's SQMS®-based management services are highly regarded for the reassurance they provide through an unwavering level of service regardless of the individual providing them. We apply PDCA cycles to make ongoing service improvements, and conduct questionnaires of each management association chairperson, as well as conduct customer questionnaires distributed several times a year through a quarterly magazine. As an example of a past improvement, we built a telephone contact record system based on feedback regarding telephone service quality. When a phone call is received, the call record is notified to the person in charge and the supervisor via the system so that they can verify whether our service quality has been maintained.

Today, management companies are often evaluated based on the number of units under management, and are rarely evaluated based on their quality of service. Even so, we will continue striving to make further improvements to the quality of our management services via SQMS®, and to enhance the visibility for our services.

Leben Community Co., Ltd.
Consignment Promotion Sales Division **Shuichi Takeda**
SQMS Quality Management Office **Masahiko Kuramochi**

Proposals Aligned with Diversifying Lifestyle Needs

Urban-type compact condominiums “NEBEL”

As a result of increases in working-couples and single-person households, residential demand is changing, and need is growing for properties that place greater emphasis on location in a city center or near a station and on convenience rather than size. MIRARTH HOLDINGS Group develops the NEBEL series of compact urban condominiums for single-person and DINK households. Along with offering the design characteristics, specifications, and quality of facilities found in family condominiums, this series primarily offers

one- and two-bedroom units with a combined living room, kitchen, and dining room in Tokyo, Saitama, Osaka, and other areas of Japan. We will continue to support enriching, fulfilling lifestyles for our customers by supplying properties that align with their changing lifestyles.



NEBEL OSAKA
UEHONMACHI

NEBEL

Pursuit of Habitability

As people's awareness concerning their health and the prevention of infections rises and calls are made for cleaner, more comfortable residences, we have engaged in various initiatives to pursue habitability and to provide safety and peace of mind. We also work to offer designs that improve the convenience of condominium common areas for residents.

Condominiums that provide clean air and spaces

The new built-for-sale condominiums offered by the Group come standard equipped with nanoe Generators, which release deodorizing ionic particles that break down the sources of odors in order to control household odors that may bother residents. Moreover, the walls and ceilings of all units are made from materials with antivirus coatings that provide them with virus-reducing effects, while doors and other fixtures are also provided with antibacterial and antivirus specifications that have received Society of International sustaining growth for Antimicrobial Articles (SIAA) certification. Similarly, floors that curtail the growth of bacteria using decorative flooring sheets that have been certified by SIAA are used. As condominiums offering “clean air and space,” we supplied “LEBEN KITATODA ATOMOS,” “LEBEN KITATODA LUMINOUS,” and “LEBEN KITATODA SOLID” in the Kita Toda Station area of Saitama Prefecture. We will continue to address the diversifying needs of our customers by offering residences that align with new living environment needs.

Takara Leben's Consideration for Future Housing

Antibacterial and antivirus specifications for peace of mind
SIAA certified. Olefin decorative sheets with antibacterial and antivirus specifications are used for fixtures.

Antibacterial and antivirus fixtures
Antibacterial and antivirus fixture sheets are used on doors and other room fixtures that are touched many times every day, supporting the health of families.

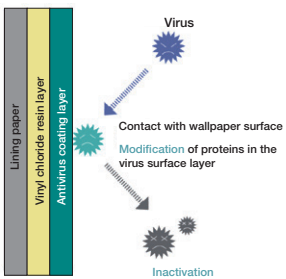
Antibacterial flooring sheets
Decorative sheets with antibacterial specifications are used for residence floors, providing peace of mind to families with babies.

Air-e nanoe generators embedded in ceilings
The standard for the new normal. Residences that focus on air and health.

Antibacterial and antivirus wallpaper in all units of mind
Antivirus products are selected for wallpaper. These products demonstrate excellent defects against viruses, protecting peace of mind in clean residences.

Outstanding antibacterial properties maintain cleanliness

A coating on the wallpaper surface inactivates viruses



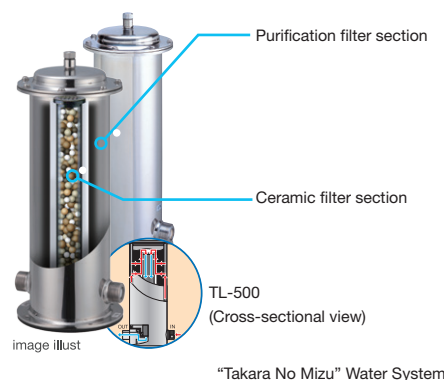
SIAA The Society of International sustaining growth for Antimicrobial Articles (SIAA) is an organization of manufacturers of antibacterial and anti-mold agents and antibacterial and anti-mold processed products and antimicrobial testing institutions; it encourages the proper and reassuring use of antibacterial and anti-mold processed products. Such processing reduces the number of certain virus particles on products.* Antivirus processing is not intended to treat or prevent any disease.
*Compliant with SIAA safety standards.

天井埋込形
ナノイー発生機 **air-e**
エアイー

LUIC project, a proprietary water system

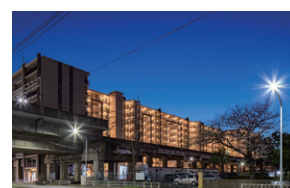
The LUIC Project uses a water system designed by the Group to make purified water available for use in all aspects of living. Since the system was launched in 2008, it has been used in all series of our own branded condominiums. This system consists of *Takara No Mizu*, which

provides purified water from taps; *Takara No Mirabath Vision*, a bath system that provides the cleaning and warming effects of ultra-fine air bubbles simply by soaking in the bathtub; and *Takara No Mirable Shower*, which provides water with ultrafine bubbles to keep users' skin and hair in excellent condition. Moreover, a new Micro Iony function that removes grime from the bathtub using activated oxygen atoms has been added. We will continue aiming to create new value through water as the foundation of life.



Installing common areas under the concept of inter-generational exchange at “LEBEN KEMIGAWAHAMA GRANVARDI”

A major theme in large-scale condominium development is the design of common areas. “LEBEN KEMIGAWAHAMA GRANVARDI” offers 10 different types of common spaces for all ages to enjoy, including sports gyms, kids' rooms, laundry rooms, and party rooms. These common areas were also planned with the ability to be redesigned so that they could be remade to address future changes in the needs of the residents. We also offer an app that allows residents to leave messages for each other, make reservations to use common facilities, and to contact others in the event of a disaster, thereby enhancing the condominium from both a tangible and intangible approach to establish a vibrant community. In recognition of these initiatives, the condominium received the GOOD DESIGN AWARD in fiscal 2021.



“LEBEN KEMIGAWAHAMA GRANVARDI” received the GOOD DESIGN AWARD in fiscal 2021

Regional Creation Initiatives

While maintaining a view to social issues involved in residences and town planning, MIRARTH HOLDINGS Group is actively engaged in regional and community revitalization projects centered on high-quality, safe condominiums.

“LEBEN CRAFT” project

The Group is advancing the “LEBEN CRAFT” project for the purpose of revitalizing communities. In addition to administering an exclusive website for residents that enables those living in urban condominiums to purchase specialty products from regions where the Group has developed condominiums, we also hold “Premium Markets” that allow residents to purchase specialty foods from different regions. We have promoted this project in a way that reflects our desire to share rich experiences with as many people as we can through the treasures (both products and experiences) that we have discovered through our condominium development activities across the country.

“LEBEN CRAFT” project

Provides select seasonal and limited-quantity specialty foods that are not sold in supermarkets.



Offers residents the opportunity to actually go and meet producers they have become acquainted with through markets, and to experience harvesting.

Supports the creation of enriching lifestyles by sharing information on production regions, producers, and products located in various areas around Japan.

Organizes LEBEN CRAFT Premium Markets with specialty products gathered from different regions of Japan.

Redevelopment projects around Takaoka Station

Takaoka City, the second largest city in Toyama Prefecture, is engaged in redevelopment projects around Takaoka Station with the aim of creating a vibrant and bustling city. In 2015, the Group developed the “LEBEN TAKAOKA MID RISE TOWER,” a high-rise residence that will become a new symbol of the city and bring people back to live in the

center. The Group has been recognized for this initiative, and as the executor of the “Excellent Building Development Project* of East Area in Front of Takaoka Station,” the Group is currently advancing projects targeting town planning intended to create a lively atmosphere through the provision of “LEBEN TAKAOKA EKIMAE THE TOWER.”

* Excellent Building Development Project: A program of the Ministry of Land, Infrastructure, Transport, and Tourism to improve the environment of urban areas and supply good urban housing, etc. with the aim of developing quality buildings, etc. that contribute to the joint use and upgrading of land use, etc.



Conceptual image for the completed “LEBEN TAKAOKA EKIMAE THE TOWER”

Initiatives for creating a lively town in Takaoka City

In October 2021, we participated in the “Market Street 2021,” an event to promote crafts and the charm of Takaoka, and in January 2022 we officially participated in the “Japan Sea Takaoka Nabe Festival” for the first time, selling the Yamagata specialty, *imoni* (stewed potatoes), at the LEBEN TAKAOKA MID RISE TOWER, which was a great success. We also held the “Model Nokomono” event, in which miscellaneous items displayed in Takara Leben model rooms, were sold at special prices. Through the reuse of the exhibited items, we aimed to support sustainable living and contribute to one of the SDGs, “Ensure sustainable patterns of consumption and production.” We will continue to actively participate in local events in Takaoka to create a lively town and further contribute to the community.



Interior goods used in model rooms were on sale

VOICE

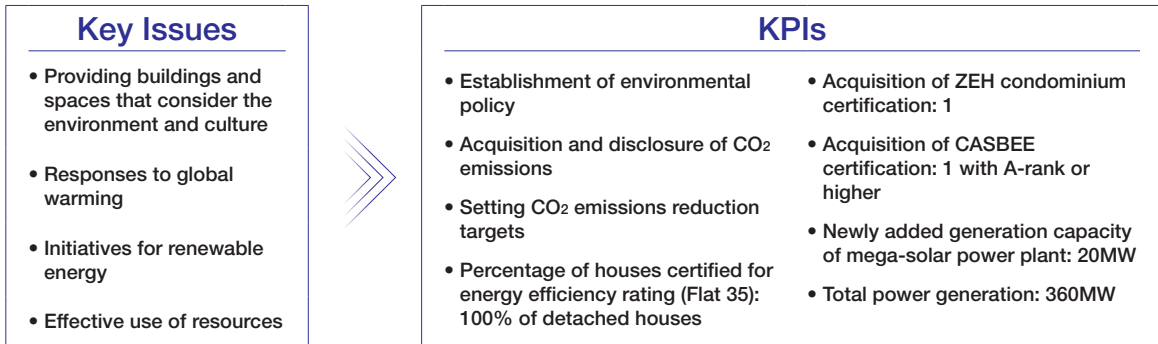
Exploring the roles of the Group in regional creation through participation in town revitalization events

As part of the “Excellent Building Development Project of East Area in Front of Takaoka Station,” we aim to create a new face for the station front area and revitalize the city center. As part of this effort, we plan to complete construction of the “LEBEN TAKAOKA EKIMAE THE TOWER,” which consists of a commercial zone on the first floor and a total of 88 housing units on the upper floors, around the end of October 2023. Redevelopment is simply one approach to improving communities, however, and community revitalization requires both tangible improvements as well as intangible solutions such as mechanisms to create a lively atmosphere. Moreover, community revitalization requires the creation of a vision that goes beyond the project area to encompass the entire city center, as well as efforts to share this vision with as many of those involved in the city as possible. By actively supporting locally held “town revitalization events” and having our employees directly participate in these events so that they can experience the challenges of the city first-hand, we explore and validate our future roles in Takaoka and other regional cities beyond. We have received words of both surprise and gratitude from those in the local community that a Tokyo-based condominium and subdivision developer would sell stewed potatoes and interior goods used in model rooms at these events.

Takara Leben, Co., Ltd.
Redevelopment Department **Takuya Shimono**

Environment

The MIRARTH HOLDINGS Group is committed to “implementing various schemes to achieve carbon neutrality within the Group” as part of its “proactive ESG considerations,” which is one of the 7 Elements of its Medium-Term Management Plan. By actively promoting environmental initiatives, we contribute to the realization of a sustainable society in which people, nature, and society coexist.



Formulate an Environmental Policy

The MIRARTH HOLDINGS Group is committed “to design sustainable environments for a happier future for both people and our planet” as our purpose. The Group thinks more positively than anyone else about the future happiness of people and the Earth, and proposes the creation of a sustainable environment that is friendly to the Earth.

Environmental Policy (excerpt)

1. Providing environmentally friendly buildings and spaces
2. Addressing climate change
3. Maintenance and conservation of biodiversity
4. Promotion of resource recycling
5. Compliance with environmental laws and regulations and environmental education
6. Establishment of environmental management

Environmental Policy

<https://www.mirarth.co.jp/en/sustainability/environmentandculture/policy/>

Efforts to Address Climate Change

In June 2022, the MIRARTH HOLDINGS Group expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and subsequently joined the TCFD consortium. We recognize that identifying, assessing, and managing the risks and opportunities posed by climate change and enhancing the resilience of our business is essential to ensure our sustainable and stable earnings over the long term.

Governance

The Representative Director of the Group is positioned as the Executive Officer for climate-related issues, and the Executive Officer is the Director in charge of sustainability. The Chief Operating Officer reports regularly to the Chief Executive Officer on matters related to climate change response, including identification and assessment of climate change impacts, management of risks and opportunities, progress of adaptation and mitigation efforts, and establishment of indicators and targets, at the Sustainability Committee meetings. After deliberation and consideration of each agenda item by the attendees of the Sustainability Committee, decisions are made by the Chief Executive Officer.

Strategies

We establish a process for identifying, evaluating, and managing the impact of climate-related risks and opportunities on our business activities, strategies and financial plans and operate it appropriately. In identifying and assessing climate-related risks and opportunities, we aim to do so systematically and objectively, utilizing scientific and academic knowledge.

Managing risks and opportunities

By managing identified climate-related risks and opportunities and promoting resilience initiatives, we aim to reduce business risks and realize value creation opportunities to ensure sustainable and stable earnings over the long term.

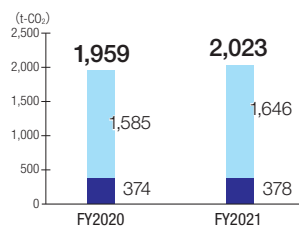
Indicators and goals

We establish indicators and goals for managing climate-related risks and opportunities that are consistent with our operational strategy and overall risk management. The Company agrees with the TCFD recommendations and disclose climate-related information in line with the requirements of the guidelines.

Environmental data

The Group's Scope 1 and Scope 2 greenhouse gas (GHG) emissions and energy consumption are shown to the right:

Greenhouse gas (GHG) emissions



■ Scope 1 ■ Scope 2

*The scope of environmental data calculation covers the MIRARTH HOLDINGS Group (11 consolidated companies).

*The period covered is FY2020 and FY2021 (April 1, 2020 to March 31, 2022).

*The figures for FY2021 are provisional and subject to change.

*The Group excludes greenhouse gases other than CO₂ (chlorofluorocarbons, etc.) because of their extremely small amounts, and it only calculates and reports CO₂ emissions.

Energy consumption

Unit: kL of crude oil equivalent

| | FY2020 | FY2021 |
|--------------|---------------|---------------|
| Electricity | 915.2 | 985.9 |
| City gas | 3.2 | 0.5 |
| LP gas | 0.0 | 0.4 |
| Gasoline | 140.8 | 144.4 |
| Kerosene | 0.7 | 0.3 |
| Cold water | 1.2 | 0.4 |
| Total | 1061.1 | 1131.9 |

Providing Environmentally Conscious Products and Services

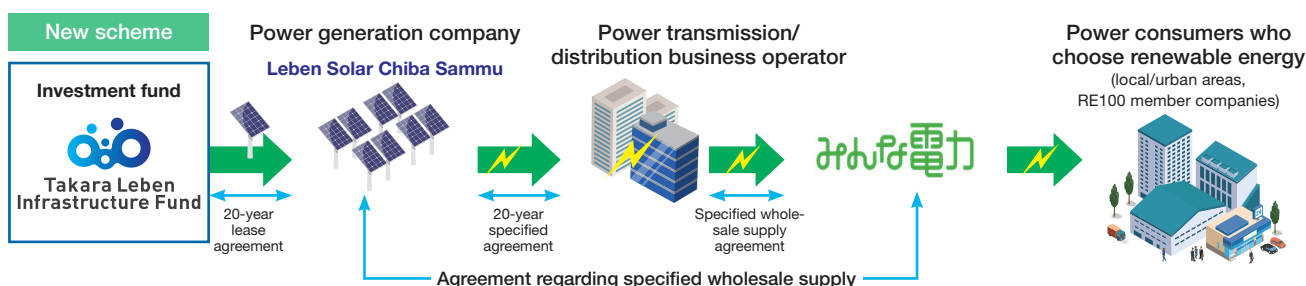
The MIRARTH HOLDINGS Group contributes to the reduction of environmental impact by providing environmentally friendly products, including the supply of energy-efficient housing, and by promoting renewable energy projects.

LS Chiba Sammu East & West Power Plants sign specified wholesale supply agreement with Minna Denryoku Co.

In September 2021, Takara Leben Infrastructure Fund concluded a specified wholesale supply agreement with Minna Denryoku Co. (currently UPDATER, Inc.) Minna Denryoku is developing a service that connects electricity producers

and users with renewable energy sources. It aims to promote a decarbonized society and the spread of renewable energy by supplying electricity produced at the LS Chiba Sammu East & West Power Plants to households that choose energy with a low environmental impact and to companies that practice environmentally friendly management through Minna Denryoku.

Renewable Energy Supply Scheme



Promoting energy-efficient housing – ZEH condominiums

Final energy consumption in Japan's household sector has roughly doubled since the oil crisis, accounting for about 15% of the total. In addition, the importance of energy conservation in the household sector has been reaffirmed in response to the tight power supply and demand and the increasing instability of energy prices following the Great East Japan Earthquake. Against this backdrop, the Group is promoting ZEH* condominiums, which reduce energy consumption. LEBEN NAGANO NAKAGOSHO THE PEERLESS (Nagano Prefecture), completed in February 2022, is the first condominium in Nagano Prefecture and the first of our properties to receive the highest rank of five stars for "ZEH-M Oriented" certifica-

tion. By taking measures to curtail peak energy use through the Internet of Things (IoT), conserving energy through total electrification and collective power reception in private areas, and supplying CO₂-free electric power and other initiatives, we are realizing energy savings and comfortable living even in the bitter cold of Nagano winters. The Group intends to continue providing new environmental value through the promotion of ZEH condominiums.

* Condominiums developed under the ZEH (net Zero Energy House) scheme that aims to achieve the net zero target of annual primary energy consumption through energy conservation by improving thermal insulation efficiency and installing highly efficient equipment and systems, while maintaining comfortable interior environment.



LEBEN NAGANO NAKAGOSHO THE PEERLESS

Corporate Governance

Basic Approach

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

We also believe that maintaining close relationships with customers, shareholders, and employees, while aiming to generate long-term profits. Furthermore, reflecting the opinions of diverse stakeholders in our business, and always considering and responding to what a company should

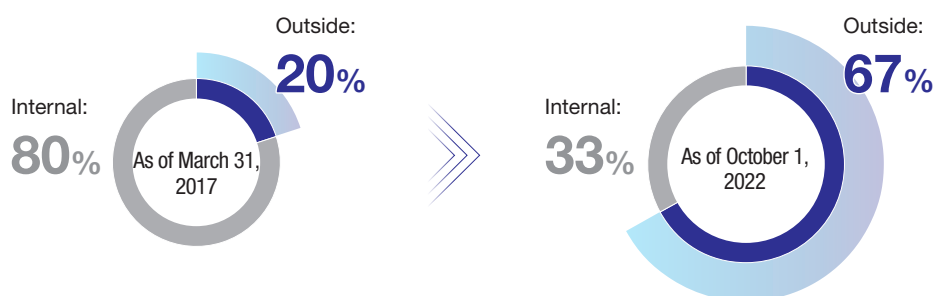
accomplish for whom is essential for a sound, efficient, and sustainable company.

Furthermore, 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.

Efforts to Strengthen Corporate Governance

| Years | Initiatives |
|-------|---|
| 2010 | Introduction of executive officer system |
| 2012 | Introduction of stock option plan for stock-based compensation for directors (excluding outside directors) and executive officers |
| 2016 | Start of evaluation of the effectiveness of the Board of Directors |
| 2017 | Term of office for directors changed from two years to one year |
| 2019 | Establishment of Nomination Committee and Compensation Committee |
| 2020 | Appointment of outside directors as chairpersons of the Nomination Committee and Compensation Committee |
| 2021 | Appointment of female outside directors |
| | Ratio of outside directors increased to more than one-third (4 outside directors out of 12 directors) |
| | Revision of executive compensation system (introduction of non-financial indicators as evaluation items) |
| 2022 | Disclosure of the skills matrix |
| | Transition to a holding company structure |

Ratio of outside directors on the Board of Directors

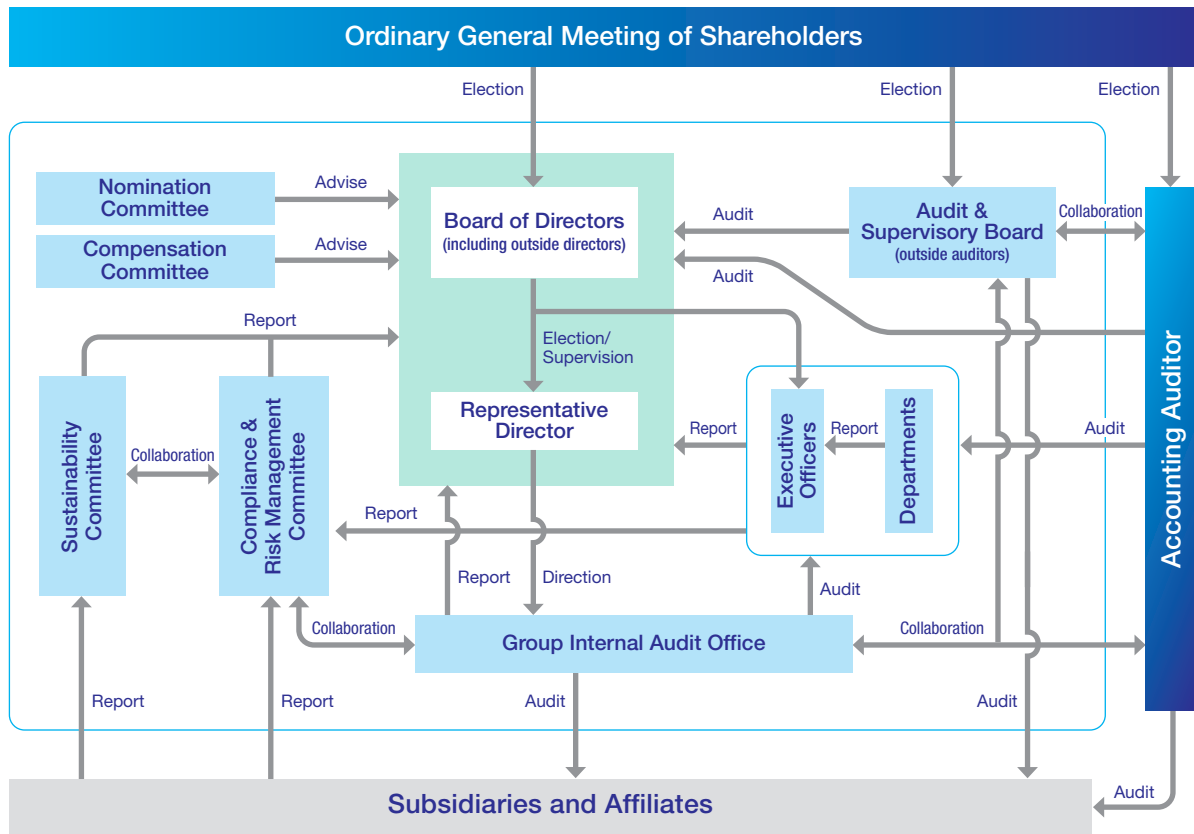


Corporate Governance System

As a company with a board of auditors, in addition to prudent and swift decision making by the Board of Directors, the MIRARTH HOLDINGS Group has built a system to ensure management proprieties. This includes appropriate mutual supervision by directors over the state of business

execution, and audit and supervision by auditors over directors' state of business execution. We also introduced an executive officer system to clarify the management supervisory roles of directors and the business execution responsibilities of executive officers.

Corporate governance system (as of October 1, 2022)



Board of Directors

The Company has appointed six directors, four of whom are outside directors. All four outside directors have been designated as independent officers. In principle, the Board of Directors' meetings are held once a month, and also on an extraordinary basis as required to ensure that decisions are made prudently and promptly, and that directors mutually supervise the status of business execution.

Auditors are always in attendance at the Board of Directors' meetings and state their opinions as necessary. At the same time, auditors work closely with outside directors and, as necessary, audit and oversee the running of the Board of Directors' meetings and the status of business execution. Also in attendance at the Board of Directors' meetings are executive officers, the head of the Group Internal Audit Office, and the heads of other departments, who have received requests from the Board of Directors based on internal regulations, and express their opinions on each issue or reporting matter.

The Company holds a Group Executive Committee once a month to enhance the accurate decision-making process by holding preliminary deliberations and discussions on important plans and implementation proposals related to group management policies, management strategies, and group management.

Executive Officer System

Having introduced an executive officer system, the Company has clarified its directors' management oversight responsibilities and the business execution responsibilities of its executive officers and is working to further speed up its decision making and strengthen its business execution.

Audit & Supervisory Board

As a system for the check and balance of decision making, all three auditors of the Company are outside corporate auditors. Each auditor is equipped with adequate background, experience, and mettle to objectively carry out assessments and verifications. Besides audits for the Company, the auditors are also involved in audits for affiliated companies, such as attending their board meetings and interviewing their directors, maintaining firm relationships with these companies. Furthermore, the auditors and the accounting auditor work to further improve the effectiveness and efficiency of audits by understanding and adjusting each other's annual schedules; going together to events such as onsite inspections and checks on showrooms, and exchanging information as appropriate.

Corporate Governance

Director's skills matrix (as of October 1, 2022)

| Name | Position | Corporate Management | Finance/Accounting | Legal/Risk Management | Sales/Marketing | Personnel and Labor Management | IT | Global Business | Nomination Committee | Compensation Committee |
|-------------------|--|----------------------|--------------------|-----------------------|-----------------|--------------------------------|----|-----------------|----------------------|------------------------|
| Kazuichi Shimada | Representative Director, Group CEO, Group COO and President Executive Officer | ● | ● | ● | ● | ● | | ● | ● | ● |
| 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 | | | ● | | ● | | | ● | ● |

Group Internal Audit Office

The Company also established guidelines on internal audits and established an Group Internal Audit Office as an independent organization reporting directly to the representative director to enhance and strengthen internal audits. In the proposal and execution of the internal audit plan, the office coordinates the schedules of auditors and

the Accounting Auditor and adjusts the scopes of audits to seek efficient operation of various functions. Auditors accompany and witness operation audits conducted by the Group Internal Audit Office, and work on building an effective and efficient audit system by verifying the scope of the audit and collecting opinions as appropriate.

Reasons for nominations of outside directors and frequency of attendance at Board of Directors' meetings

| Name | Position | Reason for Nomination | Attendance at Board of Directors' Meetings for FY2021 |
|-------------------|------------------------------------|--|---|
| Kenji Kawada | Outside Director | Mr. Kawada was nominated for his involvement in the management of financial institutions and business firms, his wealth of experience and achievements regarding management, and his possession of extensive knowledge and insight. | 20/21 |
| Chiaki Tsuji | Outside Director | Ms. Tsuji was nominated for her international work as a lawyer in Japan and Germany, her high level of insight, extensive expertise, and wealth of experience and achievements. | 15/15 |
| Keiko Yamahira | Outside Director | Ms. Yamahira was nominated for her many years of involvement in management in the real estate industry, as well as for her wealth of experience and her extensive insight in management. | 15/15 |
| Naohito Yamagishi | Outside Director (newly appointed) | Mr. Yamagishi was nominated for his expertise and extensive experience developed over many years in the National Police Agency as well as his occupational track record and experience at the Ministry of Construction (currently Ministry of Land, Infrastructure Transport and Tourism). | – |

Nomination Committee and Compensation Committee

In order to increase the objectivity and transparency in decision-making processes relating to personnel appointments and compensation of directors and others; and to further enhance and reinforce corporate governance structures, the Company established Nomination Committee and Compensation Committee as voluntary advisory bodies. Both committees are comprised of three or more directors selected by resolution of the Board of Directors, of which a majority are independent outside directors, thereby providing appropriate opportunities for outside directors to participate and give advice. The committees deliberate and submit reports primarily on the matters listed on the right based on advice from directors.

[Nomination Committee]

- (1) Matters relating to the composition and balance of the Board of Directors
- (2) Matters relating to the election and dismissal of directors
- (3) Matters concerning the election and dismissal of representative directors and executive officers
- (4) Matters concerning criteria for determining the independence of outside directors
- (5) Matters related to succession planning

[Compensation Committee]

- (1) Matters relating to compensation of directors and executive officers
- (2) Matters relating to basic policies and criteria on compensation of directors and others
- (3) Other matters referred to the Compensation Committee by the Board of Directors

Evaluating the Effectiveness of the Board of Directors

Overview

With the support of an outside consulting organization, the Company analyzes and evaluates the effectiveness of the Board of Directors by having all directors, including outside directors, and corporate auditors anonymously fill

out a questionnaire. The process and results of the analysis and evaluation for the fiscal year ended March 31, 2022, and the planned initiatives for the fiscal year ending March 31, 2023, are as follows.

Analysis and evaluation process



Evaluation Items (40 questions in total)

- (1) **Composition of the Board of Directors**
(size and diversity)
- (2) **Operation of the Board of Directors**
(deliberation items, frequency of meetings, agenda materials, free and active discussion, deliberation time, etc.)
- (3) **Discussion and monitoring functions of the Board of Directors**
(formulation of management strategies with an awareness of profitability, capital efficiency, etc., establishment of a system to realize DX promotion and appropriate supervision, human resource strategies, and initiatives to improve sustainability)
- (4) **Support system and training for directors and corporate auditors**
(personnel system and provision of training opportunities to support their activities)

Evaluation results for the year ended March 31, 2022 and initiatives for the year ending March 31, 2023

| | |
|---|--|
| Evaluation results for the year ended March 31, 2021 | <ul style="list-style-type: none"> • Although the frequency of meetings, items to be discussed, and discussion time were evaluated as appropriate, the need for earlier distribution of materials and advance explanations were identified. • The composition of the Board of Directors needs to address diversity, including gender and internationality. • The internal and external directors communicate well with each other, and the external directors have opportunities to exchange opinions with each other outside of the board meetings was highly evaluated. On the other hand, internal directors were required to actively speak out on areas other than their areas of responsibility, and there should be a more active exchange of opinions between internal and external directors. |
| Initiatives for the year ended March 31, 2022 | <ul style="list-style-type: none"> • The company distributed advance materials two business days ahead of schedule and provided advance explanations. • Aiming to increase the number of female managers and the ratio of female executives over the medium to long term, we promoted the introduction of systems that contribute to the promotion of women's activities. • Created and disclosed a skills matrix to clarify the skills required to realize the Company's medium- and long-term strategies. • Regular training sessions were held to enhance the expertise of directors, and facilitators were appointed to promote lively discussions at the Board of Directors meetings. • Inclusion of outside consultants and establishment of an internal system for DX promotion. |
| Evaluation results for the year ended March 31, 2022 | <p>The results of the questionnaire were generally positive, confirming that the effectiveness of the Board of Directors as a whole has been secured, in line with the initiatives implemented in the fiscal year ended March 31, 2022.</p> <ul style="list-style-type: none"> • As a result of earlier distribution of advance materials and advance explanations, the evaluation of this item improved significantly. • While it was noted that the number of opinions from internal directors has increased, it was also pointed out that more free and vigorous discussion is needed. • The company was highly evaluated as appropriately overseeing efforts to implement the DX. |
| Initiatives for the year ending March 31, 2023 | <p>Based on the results, the Board of Directors evaluated and analyzed the results, and exchanged opinions on issues and future initiatives to improve the effectiveness of the Board of Directors.</p> <p>As a result, it was recognized that future issues to be addressed include enhancing discussions on the Group's overall crisis management system and management strategy, including investment in human capital, as well as reflecting the opinions of shareholders and other investors.</p> |

Executive Compensation

Basic policy

Directors' compensation is determined based on advice from the Compensation Committee, a voluntary advisory body, within the scope of the resolution passed at the General Meeting of Shareholders, following a comprehensive review of performance, underlying risks, degree of responsibility for Group management, and degree of progress under the Medium-Term Management Plan. For executive directors, a fixed ratio of compensation will be linked to performance and the degree of contribution made by each director, so that it will function as an incentive to achieve sustainable growth and serves the purpose of linking to sound, effective, and stable management as an ongoing concern.

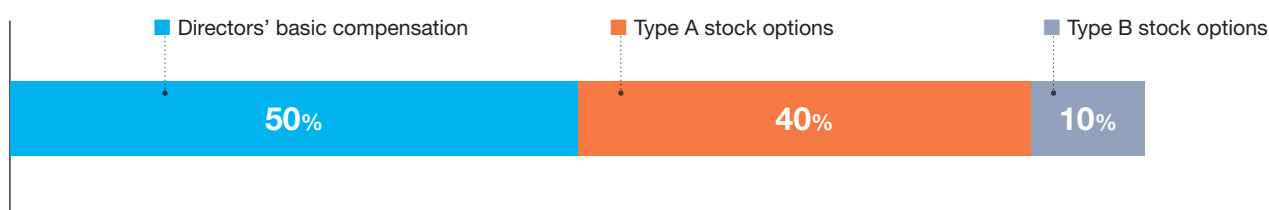
The specific basic policy regarding executive directors' compensation is as follows.

- Contributing to increasing the corporate value of the Company
- A level and a structure of compensation that enables the retention of high-quality human resources
- Designed to reflect the Company's medium- to long-term management strategies and motivating executive directors to achieve it
- Giving transparency, fairness and reasonableness to shareholders, employees, and other stakeholders and determined through an appropriate process to ensure transparency, fairness and reasonableness
- Determined based on a compensation structure that is designed to include base compensation, linkage with individual evaluation and results

Policy and method of determining and calculating compensation

| Types of compensation | Overview |
|--|--|
| Basic compensation (monetary compensation) | <p>The following five items "P.C.F.P.A." are evaluated on a five-point scale according to the degree of achievement for each fiscal year, taking into overall consideration the position, responsibilities, years in office, industry standards, and the standards of other companies.</p> <ul style="list-style-type: none"> • Performance: results in the division for which each director is responsible • Compliance: legal compliance, morals, etc. • Foresight: the ability to assess and analyze the situation, the ability to prepare business plans • Physical: the ability to promote business • Affinity: the ability to build relationships |
| Performance-based compensation (stock compensation-type stock options) | <ul style="list-style-type: none"> • In principle, stock options are issued if the performance targets in a fiscal year are achieved. • Performance indicators are set each year and reviewed in response to changes in the environment as needed. • Type A stock options exercisable after a certain period of time and Type B stock options exercisable upon retirement are granted. |

Composition of Directors' compensation



Total amount of compensation of directors and corporate auditors (as of March 31, 2022)

| Position | Total compensation (Millions of yen) | Total amount by compensation type (Millions of yen) | | | | Number of recipients |
|--|--------------------------------------|---|---------------|---------|---------------------|----------------------|
| | | Basic compensation | Stock options | Bonuses | Retirement benefits | |
| Directors (of which, outside directors) | 500 (36) | 391 (36) | 108 (—) | — | — | 15 (6) |
| Auditors (of which, outside auditors) | 29 (29) | 29 (29) | — | — | — | 3 (3) |
| Total (of which, outside directors and outside auditors) | 529 (66) | 421 (66) | 108 (—) | — | — | 18 (9) |

(Notes) 1. The amount paid to directors does not include the employee salaries of directors concurrently serving as employees.

2. Stock options are the amount recorded as an expense in the fiscal year related to the allocated stock acquisition rights, and are received by seven directors

Board of Directors, Auditors and Executive Officers

(As of October 1, 2022)

Directors



Kazuichi Shimada

Representative Director, Group CEO, Group COO and President Executive Officer

- May 1987 Joined Takara Leben Co., Ltd (currently MIRARTH HOLDINGS, Inc.)
- Jun. 2006 Representative Director, Executive Vice President, and General Manager of Development Division
- Apr. 2014 Representative Director, President, Chief Executive Officer (CEO), Chief Operating Officer (COO), and Chief Financial Officer (CFO)
- Jun. 2019 Representative Director, Chief Executive Officer (CEO), and President Executive Officer
- Oct. 2022 Representative Director, Group CEO, Group COO and President Executive Officer, MIRARTH HOLDINGS, Inc. (to present)



Masashi Yamamoto

Director, Group CFO, Managing Executive Officer and Executive General Manager of Corporate Planning Headquarters

- May 2016 Joined Takara Leben Co., Ltd. (currently MIRARTH HOLDINGS, Inc.)
- May 2017 Director, Leben Community Co., Ltd.
- Jun. 2017 Director, Executive Officer, General Manager of General Planning Division, Senior General Manager of Corporate Planning Department, General Manager of Human Resources Department, and General Manager of Corporate Planning Department
- Apr. 2021 Director, Chief Financial Officer (CFO), Managing Executive Officer, General Manager of Administration Headquarters
- Oct. 2022 Director, Group CFO, Managing Executive Officer and Executive General Manager of Corporate Planning Headquarters, MIRARTH HOLDINGS, Inc. (to present)



Kenji Kawada

Director (Outside Director)

- May 2003 Representative Director and President, Resona Holdings, Inc.
- Jan. 2016 Representative, TMA KAWADA OFFICE (to present)
- Jun. 2017 Outside Director, PE&HR Co., Ltd. (to present), Outside Director, Takara Leben Co., Ltd. (currently MIRARTH HOLDINGS, Inc.) (to present)
- Jun. 2018 Outside Auditor, Konishi Co., Ltd.
- Jun. 2021 Outside Director (Audit and Supervisory Committee Member), Konishi Co., Ltd. (to present)
- Jun. 2022 Outside Director, Leben Clean Energy Co., Ltd.
- Sep. 2022 Director, METRIKA Co., Ltd. (to present)



Chiaki Tsuji

Director (Outside Director)

- Oct. 1976 Passed the bar examination
- Apr. 1979 Registered as lawyer with the Tokyo Bar Association
- Oct. 1990 Qualified as lawyer in Germany (Japanese law)
- Apr. 1993 Lecturer, Bunka Women's University (currently Bunka Gakuin University)
- Jul. 2001 Opened Yoshioka & Tsuji Law Office as partner lawyer
- Apr. 2004 Professor, Department of Law, Graduate School, Yamanashi Gakuin University
- Jun. 2017 Outside Director (Audit and Supervisory Committee Member), Yorozu Corporation (to present)
- Jun. 2019 Outside Director, Keihin Corporation (currently Hitachi Astemo, Ltd.)
- Jul. 2019 Partner Lawyer, Kinorr Tokyo Law Office (to present)
- Jun. 2021 Outside Director, Takara Leben Co., Ltd. (currently MIRARTH HOLDINGS, Inc.) (to present)
- Jun. 2022 External Audit and Supervisory Board Member, Morioku Holdings Company, Ltd. (to present)



Keiko Yamahira

Director (Outside Director)

- Apr. 1983 Joined Kubota House Co. Ltd. (currently Sanyo Homes Corporation)
- Jun. 2011 Director and Managing Director/Executive Officer, Sanyo Homes Corporation
- Jun. 2012 Director, Sanyo Reform Co., Ltd. (concurrent)
- Jun. 2013 Director, Senior Managing Director, and Executive Officer, Sanyo Homes Corporation
- Jun. 2015 Director, President, and Executive Officer, Sanyo Homes Corporation
- Apr. 2017 Representative Director and Chairman, Sanyo Homes Community Corporation
- Jun. 2019 Outside Director, Joshin Denki Co., Ltd. (to present), Outside Director, Fujitec Co., Ltd.
- Jun. 2021 Outside Director, Takara Leben Co., Ltd. (currently MIRARTH HOLDINGS, Inc.) (to present)
- Jun. 2022 Outside Director, Shinagawa Refractories Co., Ltd. (to present)



Naohito Yamagishi

Director (Outside Director)

- Apr. 1986 Joined the National Police Agency
- Aug. 1994 Assistant Director, Road Policy Division, Bureau of Public Roads, Ministry of Construction (currently Ministry of Land, Infrastructure, Transport and Tourism)
- Aug. 2010 Chief, Wakayama Prefectural Police Headquarters
- Aug. 2013 Director, Driver's License Division, Traffic Bureau, National Police Agency
- Jun. 2014 Deputy Director of the Imperial Guard Headquarters
- Feb. 2016 Chief, Niigata Prefectural Police Headquarters
- Mar. 2018 Director, International Police Center, National Police Academy and Deputy Director-General, National Police Agency (in charge of care for victims of crimes)
- Jan. 2019 Chief, Hokkaido Prefectural Police Headquarters
- Aug. 2020 Resigned
- Jan. 2021 Advisor, Mitsui Sumitomo Insurance Co., Ltd. (to present)
- Jun. 2022 Outside Director, Takara Leben Co., Ltd. (currently MIRARTH HOLDINGS, Inc.) (to present)

Auditors

Makoto Endo

Outside Full-time Auditor

Yuuko Miura

Outside Full-time Auditor

Asami Honma

Outside Part-time Auditor

Executive Officers

Shoichi Akisawa

Yoshitaka Tejima

Masahiro Yoshida

Tadayuki Hara

Hiroshi Iwamoto

Mika Takaara

Kentaro Taniguchi

Norihiko Yoshimura

Gou Yamaji

Executive General Manager of Corporate Administration Headquarters, General Manager of Group Human Resources Strategy Department and Office Manager of President's Office

Noriyoshi Iseki

General Manager of Group DX and VX Strategy Department, Corporate Administration Headquarters

Compliance

Compliance Basic Policy

The basic policy stipulates that in order to fulfill our corporate social responsibility, all organizations, officers, and employees of the MIRARTH HOLDINGS Group shall comply with laws, regulations, and social norms, as well as separately established ethics rules and shall strive to serve as an example for society.

Internal Whistle-Blowing System (Helpline)

The MIRARTH HOLDINGS Group has established an internal whistle-blowing system (helpline) to accept requests for consultations and receive reports relating to issues such as harassment and compliance violations. As an external point of contact for whistle-blowing, we outsource responses to inquiries to a law firm, with which the Group has not conducted business, and have established an independent internal consultation desk that directs inquiries to the corporate auditors; anonymous reporting is also possible. In addition to having introduced a mechanism whereby directors involved in the content of consultations and reports are not contacted, we are reinforcing the protection of report-

ing individuals, the subjects of reports, persons who cooperate with investigations, and others by thoroughly implementing measures to prevent the parties concerned from suffering disadvantages due to having made a report. We are working to strengthen compliance management through the early detection and rectification of improper conduct and other issues.



Pocket-size card

Raising Employee Awareness

The Company strives to create a corporate culture of legal and regulatory compliance and respect for human rights by administering compliance education on a variety of themes to its employees and preparing a range of manuals.

Personal information protection

Considering the protection of personal information to be part of our CSR, we have established a management system to protect such information in an appropriate manner. In addition to having created a personal information protection manual so that all employees are able to handle personal information appropriately while carrying out their business duties, we distribute a personal information usage and protection handbook, and make all employees thoroughly aware of basic knowledge and rules. We also provide internal training led by instructors that are legal experts.

Preventing unfair business dealings

We actively carry out specialized training to ensure that all transactions with customers are fair. The training, which addresses conflicts of interest, aims to ensure that basic principles are thoroughly implemented and introduces

numerous case examples to expand the knowledge of attendees. Furthermore, we strive to foster greater understanding of laws such as the Real Estate Brokerage Act, the Consumer Contract Act, and the Act against Unjustifiable Premiums and Misleading Representations.

Harassment prevention

The Company conducts ongoing employee training to ensure that each and every employee is aware of harassment and to create a corporate culture that prevents harassment. In harassment training, which is mainly for managers, we aim to instill the basic concepts and specific actions needed to eliminate harassment. In addition, we are actively holding online training sessions, including managers of Group companies, and promoting the creation of a Group-wide culture that does not tolerate harassment.

Dealing with Anti-Social Forces

The MIRARTH HOLDINGS Group's basic policy against anti-social forces is to adopt a firm stance in dealing with them. In addition to actively participating in activities to eliminate organized crime under the guidance of our legal advisor, we collaborate with external specialized agencies, such as local police stations and legal advisors, to establish

a system to deal with anti-social forces. With regard to our trading partners, we are also thoroughly implementing measures for the elimination of anti-social forces through steps such as exchanging memoranda on severing ties with such forces and including clauses on their elimination in our various contracts and agreements.

Risk Management

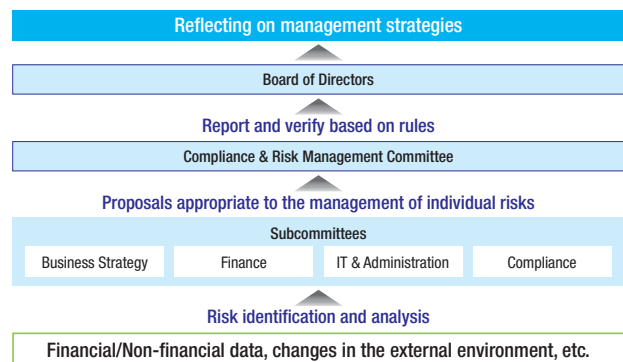
Basic Policy

The fundamental risk management policies of the MIRARTH HOLDINGS Group are to ensure the safety of customers, business partners, officers, employees, and their family members, fulfill our social responsibilities, protect the global environment, maintain ongoing business activities, and raise corporate value. To this end, we identify and manage individual risks. We have established the Compliance & Risk Management Committee to carry out these measures, and we have implemented comprehensive risk management throughout the Group.

Risk Management Structures

The MIRARTH HOLDINGS Group has established a Compliance & Risk Management Committee chaired by the president. The Committee verifies and reports on all business-related risks, deliberates and makes decisions on measures and management to avoid or mitigate risks, and takes comprehensive measures to strengthen internal controls and prevent misconduct, non-compliance, and other similar incidents in the entire business management including financial reporting. In addition, subcommittees—such as those for business strategy, finance, IT & administration, and compliance—are established as necessary to set up systems that make proactive proposals appropriate to the management of individual risks. Furthermore, the scope of deliberations within each subcommittee are reported and verified by the Compliance & Risk Management Committee

as appropriate, in accordance with the Compliance & Risk Management Committee Rules. These matters are also reported to the Board of Directors as necessary, for timely decision-making in preparation for the occurrence of risks.



Preventive Approach to Risk

In order to respond promptly to the occurrence of emergency situations such as corporate scandals, accidents, natural disasters, administrative action, serious criminal conduct by employees, and so on, the MIRARTH HOLDINGS Group has established crisis management structures and adopted Crisis Management Rules and a Crisis Management Manual. The Crisis Management Rules define crises and specify procedures from initial responses to the formation and disbanding of response organizations. There are also two sets of detailed crisis control rules regarding crisis responses and disaster countermeasures. With regard to crisis responses, the Rules specify cri-

sis management levels, responsibilities and authority, and information-sharing lines, as well as responsive measures to be implemented as disaster countermeasures during a disaster.

Additionally, each division works with the division responsible for crisis management to formulate risk recovery and prevention plans and makes reports to the Compliance & Risk Management Committee at its monthly meetings. As a part of our business continuity planning (BCP), we adopt a preventive approach to risk management, including the preparation of manuals for the continuation and recovery of business operations in the event of an emergency situation.

Responses to COVID-19

Initiatives for employees

To reduce the risk of infection among employees, we continue to implement a variety of measures, including telework and flexible work schedules. Additionally, each business division opts to adopt shortened working hours, we are recommending that a limit be placed on business trips and the holding of web conferences with people outside the Company. Depending on the infection status, we are restricting holding dinner parties, welcome and farewell parties as well as participation in outside events.

Initiatives for customers

In the model rooms, we thoroughly implement measures such as the wearing of masks and gloves, regular ventilation, and the sterilization of equipment. In the event of a staff member testing positive after an antigen test, we strictly adhere to the policy of promptly arranging a consultation with a medical institution or, if they are showing symptoms, taking a PCR test. As an added safeguard, employees who travel from the Tokyo metropolitan area to participate in previews and information sessions in other regions are required to show in advance proof that they have tested negative.

Interview with an Outside Director



Keiko Yamahira

Outside Director

Q Please give us your evaluation of MIRARTH HOLDINGS.

A year has passed since my appointment as an outside director of the Company, and I have gained a strong impression that the Group possesses the spirit to take on challenges and the ability to surpass itself while continuing to evolve with a sense of urgency.

There is a saying used in corporate management: “The snake that cannot shed its skin perishes.” In other words, staying rooted to the spot and not adapting in an era of rapid change will mean stagnation and spell the demise of a company. Even though having a history that dates back 50 years to its founding, the Company has maintained a corporate culture that faces challenges and has retained its ability to surpass past performance. In the past decade up to the fiscal year ended March 2022, net sales have approximately tripled, and I think this attitude is one of the factors behind the significant growth in performance over such a short period of time.

Running contrary to that, having expanded business domains over such a short period of time, I feel there will be a heightening need for an “optimized business portfolio,” which is one of the 7 Elements of the Medium-Term Management Plan, in the years to come. Having transitioned to a holding company, I recognize the importance of restructuring the portfolio so that the synergies within the Group can be maximized.

Q In transitioning to a holding company, please tell us about any discussions that have left a lasting impression on you.

One of the most important roles in being an outside director is management oversight. Concerning agenda items, I have endeavored to fulfill my role as an outside director, for example by frankly questioning whether the optimal solution has been selected objectively from the stakeholder’s point of view.

What has left a lasting impression on me above all else were the discussions about the company name, MIRARTH HOLDINGS. The Board of Directors thoroughly debated whether it would be the optimal solution to adopt a completely different company name, for the very reason that Takara Leben had been raising its name recognition through aggressive advertising campaigns. Through these discussions, I was able to gain a sense of the executives’ fervent desire to show what form they wish to take as a corporate group in the years to come rather than their name recognition now; in other words, to contribute to the future and the global environment.

Furthermore, as business continues to expand through diversification, transitioning to a holding company will involve major organizational restructuring to accelerate decision-making and clarify management responsibilities. For this reason, I thought that there would be concerns about personnel changes and confusion among employees about Takara Leben becoming a holding company. An outside director pointed this out, and discussions were held on the importance of alleviating employees’ concerns and gaining consensus through sufficient explanations so that the entire Group would be moving forward in one direction.

Q Please tell us about the issues facing the evolution of governance at MIRARTH HOLDINGS.

One of the points I can mention as being characteristic of our Board of Directors’ meetings is that there are many discussions on matters relating to business execution. Previously at Board of Directors’ meetings, there tended to be a lot of time spent deliberating projects on account of the large amount of assets handled as a real estate business developer. Regarding this issue, my expectations are that, after having become a holding company, we will be able to delegate business execution matters to the operating companies. As a holding company, we will then be able to focus more on improving the Group’s medium- to long-

term management strategies and plans as well as on our monitoring function.

In the years to come, it will also be important to pay close attention to the risk management aspects within the entire Group and to ensure that effective governance is being exercised over subsidiaries. On the one hand, the Group attracts diverse human resources from outside, but on the other, issues have arisen with instilling the corporate philosophy and the sharing of information. After organizational restructuring, I believe that efforts will be required to devise standardization of the corporate philosophy and prevent scandals and accidents at Group companies, by creating and sharing unified rules within the Group and coordinating related departments on a cross-organizational basis.

Promoting the delegation of business execution to operating companies and strengthening the monitoring function as a holding company will demand that the Board of Directors also be of an appropriate institutional format. Going forward, it will be considered necessary to revise the system as required, including in terms of the composition of outside and internal directors.

Q Please explain your role as chairperson of the Compensation Committee and any points for improvement with respect to executive compensation.

At MIRARTH HOLDINGS, outside directors conduct individual interviews and assess all the executive officers. I consider that there are two qualities that make a person suitable as a leader: the ability to indicate direction with decisiveness and the ability to empathize with others. It is my belief that we can maximize management resources by having the organization be driven by people who can lead from the front in making decisions, are in tune with people and can share their thoughts.

With regard to the executive compensation system, a certain percentage of compensation is linked to business performance and the degree of contribution of individual directors for them to show commitment to more proactive management toward sustainable growth. There is also a framework for assessing the degree by which they have contributed to ESG by a coefficient, and thus I believe that there is no problem with the current system. Concerning the compensation systems in place at subsidiaries, however, I feel that it will be necessary to take into account those companies that have joined the Group through M&A and factors such as differences in business scale to ensure consistency across the entire Group. Regarding compensation systems as one of the issues to be addressed on a cross-organizational basis, the Compensation Committee

sees the organizational restructuring as an opportunity to proceed with initiatives through discussion going forward.

Q Please point out the issues that MIRARTH HOLDINGS should address to achieve sustainable growth.

In the corporate management of today, sustainability is an important theme that simply cannot be overlooked. Considering social and environmental sustainability as well as corporate sustainability to be inextricably linked, I believe that as an operating company MIRARTH HOLDINGS should be contributing to society through its businesses.

Involved in housing development, urban development, and renewable energy, the Group is deeply involved in the sustainability of society as a whole. The Group is able to



take a comprehensive approach to address the variety of issues that local communities have been facing in recent years, such as the promotion of compact cities as a solution to population decline and the resultant increase in public costs, innovative urban development and the building of societies that utilize IoT and the latest technologies. The key to further increases in the contributions the businesses make going forward will be how to effectively increase Group synergies.

The Group has been achieving growth by always taking the initiative and responding quickly to changes in the times with a sense of urgency and its ability to surpass itself. Looking ahead to the 50th anniversary and beyond, I hope that MIRARTH HOLDINGS will continue to create new value as a future environment design company and further enhance its corporate value while maintaining its venture spirit.

Eleven-Year Financial/Non-Financial Summary

Financial Data

| | 2012.3 | 2013.3 | 2014.3 | 2015.3 | 2016.3 |
|---|---------|---------|---------|---------|----------|
| Net sales | ¥55,191 | ¥64,907 | ¥71,963 | ¥76,956 | ¥76,268 |
| Gross profit | 13,490 | 14,378 | 18,199 | 18,311 | 17,835 |
| Operating income | 5,930 | 6,361 | 9,798 | 9,257 | 7,563 |
| Ordinary income | 5,071 | 5,792 | 9,181 | 8,540 | 6,708 |
| Net income attributable to owners of parent | 3,681 | 4,074 | 5,869 | 5,718 | 4,308 |
| Cash flows from operating activities | 11,464 | 875 | 22,996 | (8,155) | 2,428 |
| Cash flows from investing activities | (792) | (1,590) | (4,567) | (7,998) | (19,816) |
| Cash flows from financing activities | (2,685) | 1,229 | (366) | 6,314 | 19,663 |
| Capital expenditure | 805 | 1,658 | 4,163 | 8,095 | 22,756 |
| Depreciation and amortization | 319 | 356 | 437 | 717 | 1,192 |
| Total assets | 70,277 | 75,013 | 95,891 | 101,738 | 129,744 |
| Current assets | 50,919 | 55,932 | 72,524 | 67,319 | 75,753 |
| Fixed assets | 19,357 | 19,081 | 23,366 | 34,400 | 53,945 |
| Net assets | 21,138 | 24,147 | 27,138 | 31,189 | 33,677 |
| Interest-bearing debt | 32,390 | 35,096 | 37,765 | 48,812 | 70,396 |
| Per Share Information: | | | | | |
| Net income per share (Yen) | 29.12 | 33.61 | 50.64 | 50.61 | 38.99 |
| Net assets per share (Yen) | 170.83 | 201.90 | 237.53 | 279.11 | 304.71 |
| Dividend per share (Yen) | 13.0 | 15.0 | 5.0 | 6.0 | 13.0 |
| Operating Indices: | | | | | |
| ROE (%) | 18.6 | 18.0 | 22.9 | 19.7 | 13.3 |
| ROA (%) | 5.6 | 5.6 | 6.9 | 5.8 | 3.7 |
| Operating income margin (%) | 10.7 | 9.8 | 13.6 | 12.0 | 9.9 |
| LTV (%) | 46.1 | 46.8 | 39.4 | 48.0 | 54.3 |
| D/E ratio (Times) | 1.5 | 1.5 | 1.4 | 1.6 | 2.1 |
| Debt ratio (Times) | 2.3 | 2.1 | 2.5 | 2.3 | 2.9 |
| Current ratio (%) | 136.3 | 192.7 | 192.3 | 193.4 | 176.7 |
| Inventory turnover (Times/Year) | 1.9 | 2.0 | 2.1 | 2.2 | 2.0 |
| Equity ratio (%) | 30.1 | 32.2 | 28.2 | 30.6 | 25.8 |
| Dividend payout ratio (%) | 11.2 | 11.2 | 9.9 | 11.9 | 33.3 |

* On July 1, 2013, the Company split its shares at a ratio of 1:4 for one common stock. Dividend per share for fiscal 2013 and fiscal 2014 are calculated, reflecting the effect of the stock split. Net income per share and net assets per share are also calculated based on figures after the stock split.

Non-Financial Data

| | 2012.3 | 2013.3 | 2014.3 | 2015.3 | 2016.3 |
|---|--------|--------|--------|--------|--------|
| Number of employees | 351 | 398 | 437 | 551 | 613 |
| Male | 287 | 323 | 348 | 426 | 455 |
| Female | 64 | 75 | 89 | 125 | 158 |
| Percentage of women in management (%)* | 6.00 | 10.20 | 11.54 | 9.43 | 8.20 |
| Percentage of persons with disabilities employed (%)* | 0.46 | 0.44 | 0.41 | 0.34 | 0.94 |

* Scope of calculation: Takara Leben

(Millions of yen)

| 2017.3 | 2018.3 | 2019.3 | 2020.3 | 2021.3 | 2022.3 |
|----------|----------|----------|----------|----------|-----------------|
| ¥103,599 | ¥110,851 | ¥132,005 | ¥168,493 | ¥148,397 | ¥162,744 |
| 21,869 | 25,779 | 26,886 | 30,516 | 29,928 | 33,117 |
| 10,349 | 12,597 | 10,046 | 11,901 | 10,789 | 11,877 |
| 9,496 | 11,792 | 9,027 | 11,201 | 9,933 | 10,258 |
| 6,107 | 7,367 | 6,426 | 5,361 | 4,693 | 6,215 |
| 22,644 | 9,869 | 22,428 | 47,708 | 26,330 | 23,189 |
| (27,540) | (34,463) | (34,347) | (32,136) | (25,090) | (27,871) |
| 6,129 | 24,012 | 3,427 | (1,608) | 2,654 | (1,132) |
| 20,814 | 30,302 | 29,902 | 28,841 | 25,666 | 25,400 |
| 2,397 | 1,943 | 2,447 | 2,031 | 1,803 | 2,838 |
| 139,874 | 177,588 | 184,893 | 195,448 | 204,315 | 223,473 |
| 86,585 | 102,931 | 98,512 | 115,314 | 125,686 | 142,625 |
| 53,237 | 74,618 | 86,286 | 79,874 | 78,531 | 80,792 |
| 36,792 | 42,907 | 47,734 | 51,139 | 54,632 | 59,601 |
| 79,864 | 106,663 | 111,821 | 114,036 | 118,570 | 127,969 |
| 56.14 | 68.12 | 59.33 | 49.45 | 43.22 | 57.10 |
| 339.29 | 394.90 | 436.68 | 467.05 | 498.78 | 542.04 |
| 15.0 | 16.0 | 16.0 | 19.0 | 14.0 | 18.0 |
| 17.4 | 18.6 | 14.3 | 10.9 | 9.0 | 11.0 |
| 4.5 | 4.6 | 3.5 | 2.8 | 2.3 | 2.9 |
| 10.0 | 11.4 | 7.6 | 7.1 | 7.3 | 7.3 |
| 57.1 | 60.1 | 60.5 | 58.3 | 58.0 | 57.3 |
| 2.2 | 2.5 | 2.3 | 2.2 | 2.2 | 2.1 |
| 2.8 | 3.1 | 2.9 | 2.8 | 2.7 | 2.7 |
| 171.5 | 182.0 | 168.3 | 175.7 | 225.9 | 190.1 |
| 2.3 | 1.9 | 1.9 | 2.4 | 2.1 | 2.0 |
| 26.2 | 24.1 | 25.6 | 25.9 | 26.5 | 26.5 |
| 26.7 | 23.5 | 27.0 | 38.4 | 32.4 | 31.5 |
| 2017.3 | 2018.3 | 2019.3 | 2020.3 | 2021.3 | 2022.3 |
| 690 | 789 | 892 | 973 | 1,061 | 1,200 |
| 496 | 547 | 618 | 675 | 739 | 815 |
| 194 | 242 | 274 | 298 | 322 | 385 |
| 9.23 | 8.10 | 9.46 | 8.33 | 7.34 | 7.34 |
| 1.20 | 1.09 | 2.19 | 2.06 | 1.98 | 2.70 |

Corporate Data (As of October 1, 2022)

Company name: MIRARTH HOLDINGS, Inc.

* Changed the company name from Takara Leben Co., Ltd. on October 1, 2022.

Representative: Kazuichi Shimada,
Representative Director

Established: September 1972

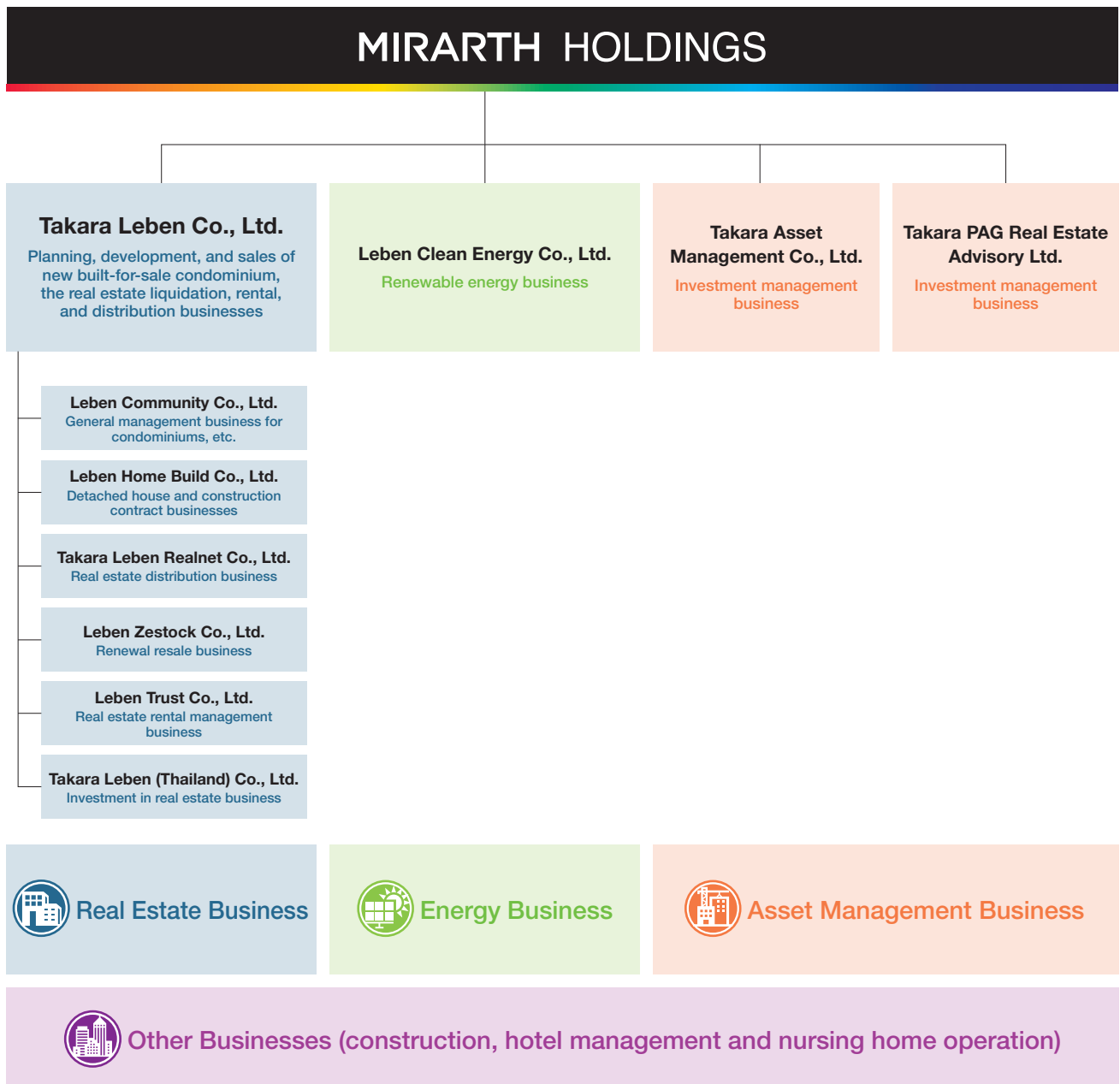
Capital stock: 4,819 million yen
(As of March 31, 2022)

Net sales: 162,744 million yen
(Fiscal year ended March 31, 2022)

No. of employees: 343 (Male, 271; Female, 72)
(As of March 31, 2022)

Head office: TEKKO BUILDING 16F,
1-8-2 Marunouchi, Chiyoda-ku,
Tokyo, 100-0005, Japan
TEL.: +81-3-6551-2125

Main Operating Companies



Stock Information

Securities Code: 8897

Stock Exchange Listing: Prime Market, Tokyo Stock Exchange

Shareholder Registry Administrator: Sumitomo Mitsui Trust Bank, Ltd.
1-4-1, Marunouchi, Chiyoda-ku, Tokyo

Total Number of Shares Outstanding (As of March 31, 2022): 121,000,000 shares

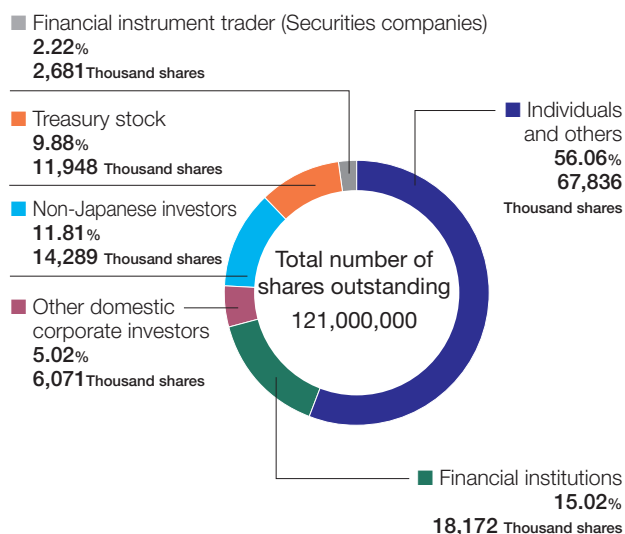
Trading Unit of Shares: 100 shares

Number of Shareholders (As of March 31, 2022): 60,364

Major Shareholders (Top 10) (As of March 31, 2022)

| Name of shareholder | Shares (Thousands) | Percentage share (%) |
|--|--------------------|----------------------|
| Yoshio Murayama | 25,633 | 21.18 |
| Takara Leben Co., Ltd. | 11,948 | 9.88 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 11,365 | 9.39 |
| Custody Bank of Japan, Ltd. (Trust Account) | 2,874 | 2.38 |
| Murayama Kikaku Co., Ltd. | 2,000 | 1.65 |
| RUDEN HOLDINGS Co., Ltd. | 1,600 | 1.32 |
| NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS | 1,495 | 1.24 |
| Takara Leben Business Partner Shareholding Association | 1,309 | 1.08 |
| Sumitomo Mitsui Banking Corporation | 1,184 | 0.98 |
| JP MORGAN CHASE BANK 385781 | 1,091 | 0.90 |

Number of Shares Held By Investor Segment (As of March 31, 2022)



Declaration of Authenticity



Kensuke Suzuki
IR Officer

Publication of the MIRARTH HOLDINGS' 2022 Integrated Report

Takara Leben, which celebrated its 50th anniversary in September 2022, transitioned to a holding company structure and changed its name to MIRARTH HOLDINGS, Inc. in October in order to evolve beyond the confines of a general real estate business developer into a company that makes the future of people and the Earth happier. This publication is the first integrated report issued by the MIRARTH HOLDINGS Group, which is undergoing a transformation to create sustainable corporate value.

In addition to MIRARTH's purpose and the business strategies of each new segment, this report expands on the scope of information disclosure on a wide range of the Group's initiatives. This includes the establishment of the Sustainability Committee and our endorsement of the recommendations put forward by the Task Force on Climate-related Financial Disclosures (TCFD) together with efforts aimed at contributing to the realization of a sustainable society, which is our mission as a corporate group that embraces the real estate, energy and asset management businesses.

As the person with overall responsibility for producing this report, I hereby state that the processes used were appropriate and the information accurate.

We hope that this report will provide readers with a better understanding of the Group's value creation story and an opportunity to create value in concert with our stakeholders.

MIRARTH

HOLDINGS, Inc.

MIRARTH HOLDINGS, Inc.

TEKKO BUILDING 16F, 1-8-2 Marunouchi,
Chiyoda-ku, Tokyo, 100-0005, Japan

Investor Relations Office

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