

MIRARTH HOLDINGS, Inc.

# Integrated Report 2024

Fiscal year ended March 31, 2024



**MIRARTH**  
HOLDINGS

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### Other Disclosure Information

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

- Financial Reports
- Medium-Term Management Plan Materials
- Annual Securities Reports
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### Editorial Policy and Cautionary Statements Regarding Forward-Looking Statements

This report, which for the most part provides details of the MIRARTH HOLDINGS Group operations in FY2023, the fiscal year ended March 31, 2024, 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 FY2023 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, 2024. 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, the company 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.

# Our Purpose & Our Values



At the launch of the new organization in October 2022, MIRARTH HOLDINGS Group defined the Group's raison d'être as it moves toward the next stage of its existence, with the purpose "To design sustainable environments for a happier future for both people and our planet." This purpose includes the Group's intent to go beyond the boundaries of a general real estate business developer, and to evolve into a "future environment design company" that engages in co-creation with local communities and works toward the future of town planning.

### 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.

## Brand 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 communities 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.

# History of the MIRARTH HOLDINGS Group

Established as Takara Komuten Co., Ltd., in 1972, the Group celebrated its 50th anniversary in 2022, and transitioned to a holding company as MIRARTH HOLDINGS. By proactively diversifying and integrating our businesses, mainly in the Real Estate Business, as well as the Energy, Asset Management, and Other Businesses, we are aiming to evolve beyond the boundaries of a general real estate developer to become a “future environment design company.”

## 1970-1980s Founding period

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



**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

## 1990-2000s

Expanded the Real Estate Business's domain  
Business expansion owing to the start of sales of the Company's condominium series

**1994** Commenced sales of the “Leben Heim” series of condominiums



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

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



**2001** 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



**2008** Launched new Takara Leben brand logo



## 2010s Promoted business diversification

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

**2012** Launched the new LEBEN and THE LEBEN condominium brands



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

**2013** Launched the Energy Business



Established investment management business Takara Asset Management Co., Ltd. (currently MIRARTH Asset Management Inc.)

Launched the Energy Business and the Asset Management Business

**2014** 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”



**2018** Made PAG Investment Management Ltd. (formerly 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** Nikko Property Co., Ltd. changed its name to Leben Trust Co., Ltd., merged (absorption-type) with Takara Property Co., Ltd.

## From 2020

2022 Changed the Company's name to MIRARTH HOLDINGS

Tackled the challenge of a changed business model based on the holding company structure

**2021** Made renewable energy company ACA Clean Energy Co., Ltd. (formerly Leben Clean Energy Co., Ltd.) into a subsidiary

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

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



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.

Included Takara Leben Infrastructure Fund, Inc. in the Company's scope of consolidation as a subsidiary through a takeover bid

**2023** Delisted Takara Leben Infrastructure Fund, Inc. Established renewable energy business MIRARTH Green Tech Co., Ltd.

Established biomass fuel business MIRARTH Agri Tech Co., Ltd.

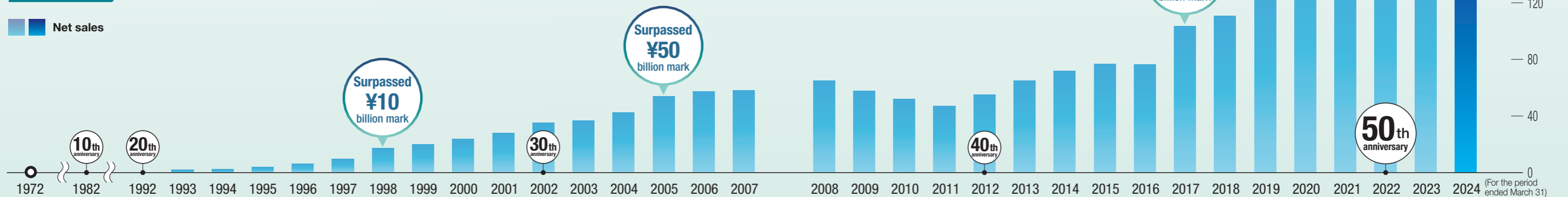
**2024** Takara PAG Real Estate Investment Advisor Co., Ltd. changed its name to MIRARTH Real Estate Investment Advisor Co., Ltd.

Leben Clean Energy Co., Ltd. changed its name to MIRARTH Energy Solutions Co., Ltd.

Takara Asset Management Co., Ltd. changed its name to MIRARTH Asset Management Inc.

### Trends in Net Sales

Net sales



### Events in related industries

- 1970s** Introduction of housing loans
- 1980s** Land prices soar due to the bubble economy
- 1990s** Following the bursting of the bubble economy, progress in the sale of corporate factories and company housing; condominiums developed on the empty lots
- 2001** J-REIT market established, and first real estate investment trust listed on the Tokyo Stock Exchange
- 2006** With the enactment and enforcement of the Basic Act for Housing, national policy shifted to the utilization of existing stock, including “renovation” and “remodeling”
- 2008** With the financial crisis, triggered by the Lehman Shock, real estate companies progressed toward consolidation
- 2011** The Great East Japan Earthquake and other factors spur the adoption of seismic isolation and vibration control structures in condominiums, and measures are strengthened to secure emergency power sources
- 2012** Start of the feed-in tariff (FIT) system
- 2015** Adoption of the Paris Agreement, SDGs
- 2016** The Act on the Improvement of Energy Consumption Performance of Buildings (Building Energy Conservation Act) came into effect, making compliance with energy conservation standards mandatory
- 2020** Accelerated housing needs for Net Zero Energy House (ZEH) standards  
The Japanese government's 2050 Carbon Neutral Declaration  
Diversified housing demand on back of the spread of COVID-19

**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 Harmonic partners, and employees; expressing how they are linked to one each other. The three rings convey our hope of carrying out our “NESS” while resonating with one another. The gradation of pursued by everyone in the Group.

Circle, which is comprised of three rings, representing customers, another, expanding organically to create harmony while supporting corporate vision to “THINK HAPPINESS AND MAKE THE HAPPY-STRICKING blue to deep navy expresses the intelligence and sincerity



**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.

# Brands that Satisfy Diverse Lifestyles

—Our Track Record in the Ability to Design Sustainable Environments—

The MIRARTH HOLDINGS Group operates brands that leverage the expertise in development, planning, sales, management, and operations acquired through its many years in the real estate business. We promote the future of town planning in a way that vitalizes communities through the development of new built-for-sale condominiums, as well as through real estate development linked with reconstruction, urban redevelopment, and the asset management businesses.

## New Built-for-Sale Condominiums

Through an integrated approach that covers every stage from land purchase to product planning and sales, we provide residences that meet the needs of the different lifestyles and life stages of customers throughout Japan.

### LEBEN

A brand that brings the Takara Leben vision of "THINK HAPPINESS AND MAKE THE HAPPINESS" to life.



LEBEN FUKUOKA TENJIN ONE TOWER



LEBEN KEMIGAWAHAMA GRANVARDI **GOOD DESIGN AWARD 2021**



### THE LEBEN

A brand that pursues quality to offer higher than average homes.



THE LEBEN KANAZAWA OTEMON Galleria Gran



### NEBEL

A brand of urban-style, compact condominiums tailored to diverse lifestyles.



NEBEL KAMAKURA OFUNA

## Reconstruction and Urban Redevelopment

We engage in the reconstruction business to upgrade deteriorating and antiquated apartment complexes, and in the urban redevelopment business to enhance the functions and livability of cities. In an effort to solve the various problems faced by today's urban areas, we create living environments for the future that allow their residents and streets to shine.



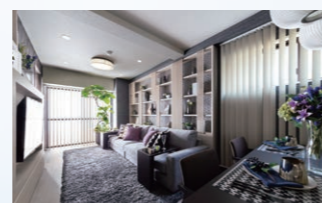
LEBEN ODAWARA THE TOWER

## Renewal Resale

In addition to the renewal and resale of individual units, we also operate a renewal brand for entire condominium buildings. Along with maximizing the appeal of these properties, we help vitalize the secondary housing market by supplying high-quality, used condominiums.

### Lé Art

A brand of cutting-edge renovated condominiums.



Lé Art KYOTO GOSHONISHI NAKADACHIURIDORI

## New Detached Houses

Leveraging our expertise in the condominium business, we develop new detached houses with an emphasis on light, water, and air. Moreover, we pursue a level of quality and design that aspires to the perspective of the residents and greater value for the neighborhood.



### LEBEN PLATZ

A brand that offers ideal, high-quality homes at affordable prices, allowing for stress-free purchases by all.



LEBEN PLATZ MINAMIURAWA V



LEBEN PLATZ NISHIARAI GRANDBRIGHT

## Liquidation

In line with the regional characteristics and needs of the market, we develop and enhance the value of all manner of income-generating real estate, including residences, offices, hotels, retail outlets, and logistics facilities. In addition, we establish balanced investment and return cycles by selling properties to REIT, private placement, and other funds.

## LUXENA

### LUXENA

A brand of high-grade rental condominiums that offer a high level of design quality and comfort.



LUXENA YOGA

## L.Biz

### L.Biz

An office building brand chosen by corporate leaders as a business environment that enables success.



L.Biz NIHOMBASHI

## Hotels

We currently operate three original hotel brands that leverage our development capabilities and knowledge on spatial planning established through the condominium business, as well as knowledge in hotel operations and management possessed by our affiliates.



### nasu mukunone

A hotel that allows guests to stay amid a vast natural setting of more than 35,000 square meters, under the concept of "Soothe your soul in the breathtaking forest."

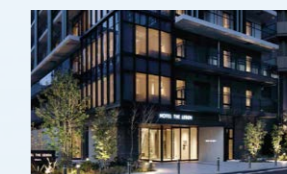


nasu mukunone

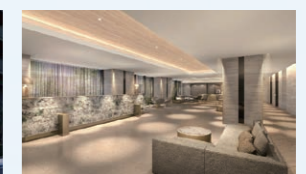
## HOTEL THE LEBEN

### HOTEL THE LEBEN

The hotels offer premium spaces where you can fully relax, as if you were at home, under the brand vision of "Spreading the joy of travel that provides everyday comfort."



HOTEL THE LEBEN OSAKA



## Fun & Cool

### Fun & Cool Hotel

A new style of hotel that pursues that little something extra beyond simply minimizing stress during stays and design alone, under the concept of maximizing "Fun: cheerful and enjoyable" and "Cool: stylish and attractive."

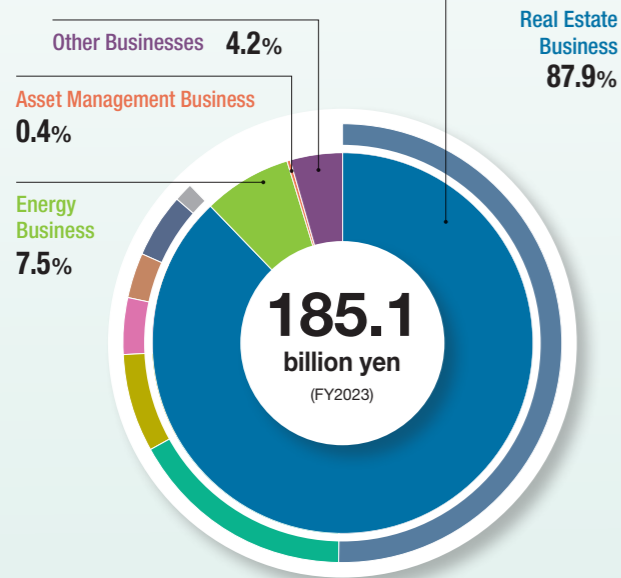


Fun & Cool Hotel KAGOSHIMA Airport (tentative name)

## At a Glance

Leveraging the knowledge built on its Real Estate Business, the MIRARTH HOLDINGS Group is actively promoting business diversification and fusion. 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 mainstay pillar of operations.

### Consolidated net sales



### Real Estate Business

With the new built-for-sale condominium business serving as our core business, we are also engaged in the liquidation business, which undertakes development and sales of profit-generating real estate for both residences and offices, the sale of detached houses, the renewal and resale of condominiums as well as the real estate rental and management businesses.

#### Sales by segment (FY2023)

Segment	(Millions of yen)	
	Net sales	Gross profit
New built-for-sale condominiums	93,474	21,003
Liquidation	30,661	6,621
New detached houses	13,414	1,585
Renewal resale	7,875	1,041
Real estate rental	5,871	1,396
Real estate management	9,118	1,646
Real estate other	2,388	2,314

### Energy Business

Focusing on solar power, our Group's Energy Business utilizes renewable energy and sells the electricity generated to electric power companies. The Group also works diligently to contribute to society by producing renewable energy. We are also advancing initiatives toward the building of a business model that does not rely on the feed-in tariff (FIT) system.

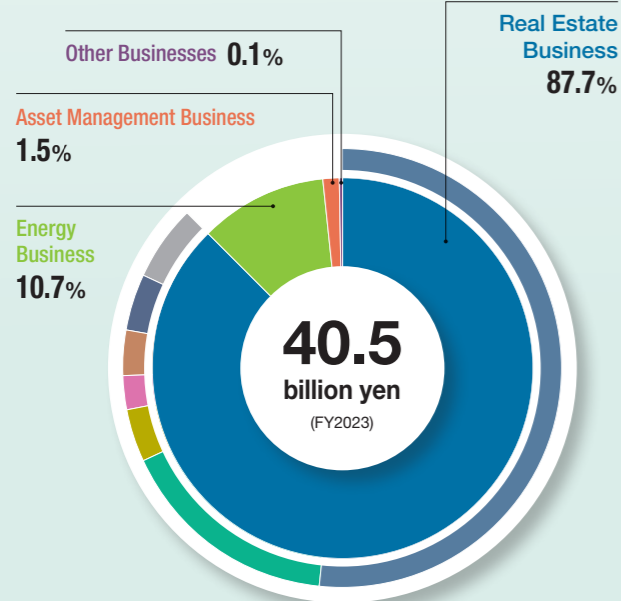
### Asset Management Business

Utilizing the Group's wealth of expertise, knowledge, and networks in real estate and renewable energy, the MIRARTH HOLDINGS Group is entrusted with the management of J-REIT, private placement, and other funds. Through its Asset Management Business, the Group provides excellent investment opportunities and solid asset management services.

### Other Businesses

Through its Other Businesses, the Group engages in activities including construction subcontracting and hotel management.

### Consolidated gross profit



### 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, 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 sales of electric power generated from our facilities, rent, and revenue generated from over 70,000 properties managed on consignment. In addition, in the fee-based business, at a listed investment corporation, investment management compensation was increased and thereby established a system that does not rely on flow businesses.

## MIRARTH HOLDINGS Group by the Numbers

### Net Income Attributable to Owners of Parent

**¥8.1 billion**  
(FY2023)

### ROE

**12.9%**  
(FY2023)

### Dividend per share

**¥24**  
(FY2023)

### Founded

**1972**

### 2023: Nationwide ranking of condominium units supplied sold by developer group

**5th**

### Nationwide condominium brand recognition ranking (2023)

**4th**

#### Ranking: Top 10

Ranking	2023 Ranking	(Units)
1	Open House Group	5,156
2	Mitsui Fudosan Group	3,423
3	Nomura Real Estate Development Group	3,061
4	Sumitomo Realty & Development Group	2,859
5	<b>Takara Leben Group</b>	<b>2,156</b>
6	Mitsubishi Estate Group	2,093
7	Anabuki Group	1,986
8	DAIWA HOUSE INDUSTRY Group	1,797
9	MORI TRUST Group	1,607
10	Hankyu Hanshin Toho Group	1,590

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

#### Ranking: Top 10

Ranking	2023 Ranking
1	LIONS
2	PROUD
3	The Parkhouse
4	<b>LEBEN</b>
5	GRANDE MAISON
6	PARK HOMES
7	Brillia
8	SURPASS
9	GALA
10	geo

\* Research contractor: Macromill, Inc.

### No. of employees

**1,377**  
(As of March 31, 2024)

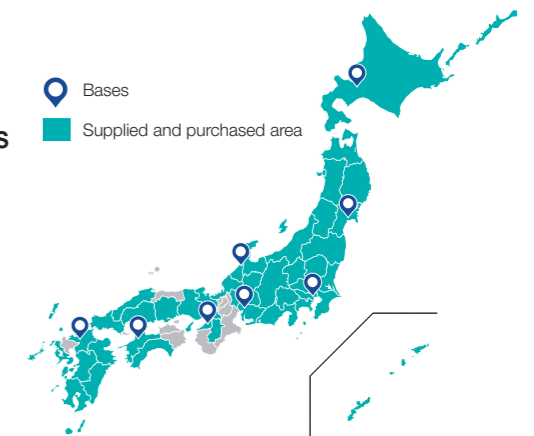
### New built-for-sale condominium supply areas

Nationwide areas expanded to **40** prefectures

Legend: Bases (blue dot), Supplied and purchased area (teal shading)

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

**41,136 units**  
(As of March 31, 2024)



### Assets under management

**¥266.5 billion**  
(As of March 31, 2024)

### Number of managed housing units

**76,661 units**  
(As of March 31, 2024)

### Current power generation capacity

**363 MW**  
(As of March 31, 2024)  
\* Including wholesale portion

### Percentage of female managers

**11.3%**  
(As of March 31, 2024)

### Percentage of employees taking paid leave

**72.8%**  
(As of March 31, 2024)

\* Data compiled for Group companies that grant annual paid leave all at once.

### Ratio of outside directors

**57%**  
(As of June 26, 2024)

## A Message from the CEO



**Kazuichi Shimada**  
Representative Director

## Transforming the business model to become a “future environment design company”

This period also marked ten years since my appointment as president in April 2014. With an awareness toward shifting away from a condominium developer, I have actively worked to diversify the scope of our operations as a means of building a business portfolio that is not overly reliant on the new built-for-sale condominium business. And recognizing the absolute importance of making quick, flexible management decisions and of further strengthening governance, I led the transition to a holding company structure and changed the Company name in October 2022 following the occasion of our 50th anniversary in September that same year. Combining the terms Mirai (future in Japanese) and Earth, the new Company name of MIRARTH embodies our determination to go beyond the boundaries of a general real estate business developer as we evolve into a “future environment design company.”

In fact, the new built-for-sale condominium business accounted for more than 90% of the Company's total sales ten years ago. As we actively promoted businesses in areas besides condominiums over the past decade, however, by FY2023 the new built-for-sale condominium business ultimately came to account for just 50% of the total. In particular,

our efforts have focused on cultivating the Energy Business, which leverages renewable energy, and the Asset Management Business, which manages J-REIT, private placement, and other funds.

As in FY2023, we plan to achieve higher sales and profits in FY2024 as the final year of the Medium-Term Management Plan, which together I feel will have created a positive current that connects to the upcoming new Medium-Term Management Plan. In part because the operational scope of our real estate business extends well-beyond the bounds of condominiums, net sales and operating income from this business still account for nearly 90% of the total. For this reason, our Real Estate Business remains a major factor, and is why I believe we must continue to transform the earnings structure. In heading toward FY2029, we have presented a roadmap by which we will shift the ratio of operating income accounted for by the Real Estate Business, the Energy Business, and the Asset Management Business and Other Businesses to 50%, 30%, and 20%, respectively. If successful, the Real Estate Business and Energy Business will ultimately make up an equal share on the basis of EBITDA.

## Closing Out Our First Year as MIRARTH HOLDINGS

After celebrating our 50th anniversary in September 2022, we transitioned to a holding company structure later that year in October, and changed the Company's name from Takara Leben Co., Ltd., to MIRARTH HOLDINGS, Inc. As the first fiscal year under the new structure, FY2023 also served as the third fiscal year of the four-year Medium-Term Management Plan that kicked off in FY2021. FY2023 proved strong in terms of numbers, with higher net sales of 185.1 billion yen and

greater operating income of 15.4 billion yen, where operating income also exceeded the initial plan for FY2023 to reach its highest level to date. I also feel we made steady progress on the seven elements of the Medium-Term Management Plan. Regarding one of the elements, the further growth of core businesses, we promoted the condominium businesses in Vietnam and Thailand, and the new detached house business in the Philippines.

## Pursuing a Housing Supply that Offers Greater Value

After starting out as a small building contractor in 1972, the Group successfully went public in 2001 and has continued to grow over the past 50 years based on its strengths of unconventional concepts and fast-paced action founded on a system that fully integrates development, planning, sales, and management. Looking ahead over the medium- to long-term, there is a strong chance that the climate encompassing our primary housing supply market will become increasingly challenging given declining birthrates and shrinking populations. Yet real estate will remain our mainstay business, and so I believe we must continue to pursue a housing supply that offers greater value as an independent developer.

Over the medium- to long-term, we must make use of the

knowledge we have acquired in Japan overseas, particularly in regions like Southeast Asia that are expected to see economic growth as they undergo demographic changes. As I mentioned earlier, we are already involved in the Real Estate Business in Vietnam and Thailand in ways that also include collaboration with local companies. And in January 2024 we launched a new detached house business in a bedroom community in the suburbs of Manila in Laguna Province, the Philippines. The full scale of this development covers approximately 6.5 ha and includes a total of 657 units, which will provide high-quality housing at an affordable price to those in younger age groups who will support the future of the Philippines economy. Although this is the third country in which

A Message from the CEO

we have undertaken an overseas housing supply project, we will continue to investment in a distributed manner across several countries as we carefully select projects that target Southeast Asia.

There is still much that we can do through the Real Estate Business. First off, we will secure stable earnings through the stock and fee business, which derives from the flow business centered on the new built-for-sale condominium business. Specifically, we will promote an approach to real estate

management that will accrue real estate revenue earned as rent income from rental properties, as well as management revenue from the nearly 80,000 properties we manage on con-signment. Moreover, in order to enhance the Asset Management Business, we will develop income-generating properties as a fund business, and will focus on enhancing the value of existing income-generating properties, instead of relying entirely on scrap-and-build.

On Becoming a Company that Lives Up to “Our Purpose”

As we made the transition to a holding company structure, we defined the Group's raison d'être and stated our purpose as “To design sustainable environments for a happier future for both people and our planet.” Drawing on the traditional “THINK HAPPINESS AND MAKE THE HAPPINESS” vision and “Creating Together” mission of Takara Leben, this purpose

takes into consideration the expansion of the Group's overall business. To evolve into a future environment design company, which I mentioned earlier, we must explore the ideal for a company that lives up to this purpose.

The primary trigger for entering this phase of our evolution is the Energy Business. Initially, however, I had not even

considered nurturing this business over the long-term. But I eventually came to see the potential for future market growth after numerous companies and public authorities began strengthening their efforts toward decarbonization in a bid to achieve carbon neutrality by 2050. As our initiatives in this area have come to involve projects that are highly social in nature, we will cultivate them into a critical segment as we seek to achieve our purpose.

In February 2024, for example, we launched a business to produce biomass fuels from cashew nut shells in Cambodia. As we build strong relationships with the Cambodian government, this effort will serve to realize a circular economy by diversifying sources of power generation in the Energy Business and by contributing as an energy source in Japan, as well as by helping to create jobs within Cambodia and supporting the country's industrial development.

As part of our efforts to put Purpose Management into practice, we formulated the long-term vision of “Be the Takara (treasure) of the Community” in October 2023 as our aspiration for the Group in FY2029. Specifically, this vision is intended to disseminate Purpose Management and clearly define its connections with our business fields. This phrasing also indicates how we will change local communities, as well as how we will contribute to society and regions, through business that understands and engages with the policies and demands that are unique to each region in a way that enables the work in which each employee is involved to realize a happier future for both people and our planet.

Having started out with a concentration of properties in the Tokyo metropolitan area, the Real Estate Business has since

expanded to operate in more than 40 prefectures throughout Japan. Although the core of our Real Estate Business remains the new built-for-sale condominium business, we have moved beyond this area to develop residences, offices, logistics warehouses, and other income-generating properties. We now engage in the liquidation business, through which we sell assets to real estate and other types of funds. In other words, I believe that we can help solve the issues faced by the communities in the regions where we operate from a variety of angles, including the real estate and hotel businesses.



Toward the Realization of Management with an Awareness of Capital Costs and Stock Prices



Human Resources Strategy Embodied by “Be the Takara (treasure) of the Community”

We devised our long-term vision through countless discussions and thorough brainstorming sessions led by the members of the Board of Directors. When we considered what was important, we believe that one of our universal values stands as putting the customer first given that many of the Group's businesses are B2C in nature. Alongside our customers, we also see our employees as another critical asset. There is nothing more damaging to a company than when an individual it has nurtured leaves. That is why we recognize the

importance of reducing employee turnover, and of becoming a company with stronger employee engagement and loyalty. After all, companies only exist because of their employees, so employees who maintain their well-being as they work with excitement will also connect to the happiness of companies and the customers beyond. “Be the Takara (treasure) of the Community” embodies our message that, more so than the Company, it is our employees that we wish to see become takara (treasures) for communities.

## A Message from the CEO

The working environment is also undergoing change. For example, the energy required of our employees to improve performance has changed over the different phases of our development, from going public in 2001 on JASDAQ and later listing on the Second Section and First Section (currently, the Prime Market) of the Tokyo Stock Exchange, to our growth following our experience during the 2008 global financial crisis. Over the past ten years since I was first appointed as president, our net sales and number of employees have increased dramatically, which is why we must update our human resources strategies away from those of a decade ago when we just worked frantically.

Despite having presented company mottos and visions in the past, I do not feel we always trained employees in a way that reflected these. Our purpose and long-term vision are relatively new, yet we will conduct employee training that is firmly tied to the vision to which we aspire as a company. Amid this series of developments, the MIRARTH INNOVATION LABO (Mirai Labo) was launched. This organization was established by participants of the hierarchical selection training program conducted for those in non-managerial and leader level positions based on the idea that we must “develop young

employees,” “promote cross-functional involvement across divisions,” and “create an environment in which employees want to continue working” in order to sustain the Company over the coming century. Through these efforts, we aim to create an environment in which new graduate employees can work with a clear goal image and a sense of fulfillment after three years, foster departmental understanding and a cross-functional communication culture, and promote the use of annual paid leave.

Until recently, I felt our awareness of materializing these kinds of concepts within the company had been weak. Now, however, our younger employees think about the future of the Company and offer proposals to the management team in an attempt to drive innovation of their own initiative. The management side must also transform its own awareness in order for us to evolve into a company at which employees want to continue their careers. Despite the fact that management will not necessarily adopt every proposal and opinion, I feel this effort has led to a more open atmosphere.

One of the issues I foresee for the future, however, is discovering the qualities and abilities hidden among the nearly 1,400 employees that we see as assets, and making the most of this

potential within the Group. Although Takara Leben was only the first member of the Group to introduce a talent management system that converts various types of information into data and centrally manages these, including each employee's

skills, abilities, transfer histories, and evaluations, by FY2023 every company in the Group had adopted one. Now, using these systems, we will promote strategic personnel affairs in a way that grasps the full potential of every employee.

## Toward the Next Medium-Term Management Plan

Under the new Medium-Term Management Plan to kick-off in FY2025, we will aim to supply housing that offers greater value while placing our growth footing on the Energy Business based on the roadmap for FY2029, as I have described thus far.

Our investors have requested explanations for the project of producing biomass fuels from cashew nut shells. Once edible cashew nuts have been processed, most of their shells are simply discarded. So, I believe that this business holds meaning in that it makes use of these wasted shells as fuel for biomass power generation. Similarly, we are also developing a biomass power plant that uses woodchips for fuel in Miyazaki Prefecture. Although these fields require a high level of expertise, we will not be dissuaded from continuing to undertake this challenge.

In the Real Estate Business, I feel we must maintain the number of units sold in the condominium business at the

current level of around 2,200, as we steadily expand supply and covered areas in the future. Moreover, liquidation will serve as the growth footing for the Real Estate Business. Although we are currently active in developing newly built residences for REITs, we aim to increase the ratio of profits accounted for by projects that increase the value of properties, from 5% today to 20% in FY2029. This move will primarily rely on acquiring existing properties that allow for short-term returns and selling these after providing them with greater added-value.

Meanwhile, in the Asset Management Business, we will also manage renewable energy, REIT, private placement, and other funds under contract. We aim to have accumulated up to 700 billion yen in assets under management by FY2029.

In this way, the next Medium-Term Management Plan is intended to shift the Group from a developer-based model to a value-enhancing model that includes M&As to buy time.

## To Our Stakeholders

MIRARTH HOLDINGS may still appear to be a developer that specializes in condominiums. Although I do not deny this situation, going forward we must establish a track record as a general real estate business developer that we can state with pride means we have become a “future environment design company.”

The Energy Business, however, is not our only tool for designing the environment of the future. For example, we can also sustainably revitalize communities through the Real Estate Business.

You might be familiar with the term regional creation. In particular, this term applies to areas outside of Japan's major cities, which are experiencing declining and aging populations, and seeing their central business districts become hollowed out. In response to these phenomenon, MIRARTH HOLDINGS boldly challenges and engages in regional creation through our mainstay Real Estate Business across the country. In this respect, each of our employees is already becoming the

“Takara (treasure) of the Community.” Beyond this, on a company and individual employee basis, we must build relationships with those in the community as we engage with the problems they face. In order to promote regional creation that actually vitalizes communities in a narrower sense than implied by the term region, together our employees will aim to “Be the Takara (treasure) of the Community,” and establish a track record as a “future environment design company.”

I therefore humbly ask for your continued support and understanding as our stakeholders so that we can strive together to enhance corporate value. Thank you.

October 2024

**Kazuichi Shimada**

Representative Director, Group CEO, Group COO and  
President Executive Officer  
MIRARTH HOLDINGS, Inc.





# Value Creation Process

Leveraging the three types of knowledge it has cultivated in its Real Estate Business to the Energy and Asset Management Businesses, the MIRARTH HOLDINGS Group is working to evolve into a company that makes the future of people and the Earth happier. To this end, each Group company is demonstrating synergies that transcend business fields.

## Our Purpose

▶ P.1

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

## Our Values

▶ P.1

### External Environment Awareness

Details P.18-19

#### Environment

- Increasingly serious global environmental issues, etc.

#### Social

- Diversification of housing needs due to changes in lifestyles
- Changes in the political climate and economic trends, etc.

#### Governance

- Unauthorized access and cyberattacks
- Insufficient internal control functions

### Materiality

P.20-21

Addressing climate change and decarbonization
Promoting the stable supply and use of renewable energy
Realizing sustainable growth of local communities
Addressing the declining birthrate, aging population, and shrinking workforce
Ensuring the health and safety of employees
Promoting Diversity Equity & Inclusion (DE&I)
Respect for human rights and supply chain management
Strengthening corporate governance
Strengthening risk management
Ensuring corporate ethics and compliance

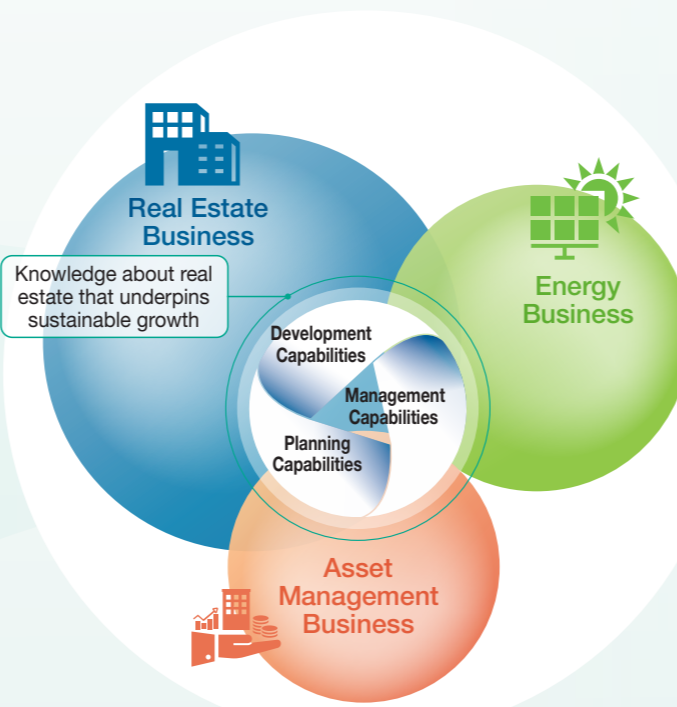
### Input

(As of March 31, 2024)

Financial Capital	
Ability to generate stable cash flow	
• Shareholders' equity	¥65.6 billion
• Interest-bearing debt	¥210.4 billion
Human Capital	
Diverse human resources that possess expertise	
• No. of employees	1,377
• Real estate notaries	552
• First-class registered architects	34
• Redevelopment planners	6*
* Scope of calculation: Takara Leben	
• Training hours per employee	21.2
Intellectual Capital	
Technologies and expertise that respond to customer requests	
• No. of trademark registrations	49
• Major condominium brands	LEBEN, THE LEBEN, NEBEL, Lé Art
• ISO certifications	3
Social and Relationship Capital	
Trust, reliability and a collaborative framework	
• Major Group companies	13
• Major business locations	19
• Redevelopment and rebuilding projects	18
Natural Capital	
Effective use of resources	
• Land and the global environment	
• Nationwide power generation facilities	
• Greenhouse gas emissions	589,269 t-CO <sub>2</sub> *
* Total for Scope 1, 2, and 3	
• Energy consumption	1,289.6 kL (crude oil equivalent)

### Business Development Leveraging Real Estate-Related Knowledge

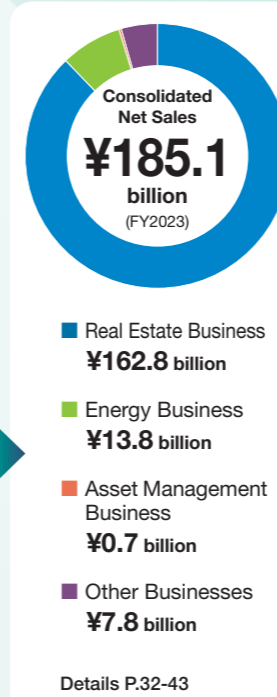
#### Three Business Pillars



#### 7 Elements of the Medium-Term Management Plan

- Further growth of core businesses
- Maximized group synergies
- Optimized business portfolio
- Establishment of a stable financial ground
- Improvement of productivity and creation of new services through promotion of DX
- Proactive ESG considerations
- Personnel development and establishment of the rewarding workplace environment

### Output



### Outcome

(FY2023 Results)

Financial Capital	
A sound financial foundation that enables further investments for growth	
• TSR over the past 10 years	112.5%
• Dividend per share	¥24 annually
Human Capital	
Encouraging the strong roles of diverse employees	
• Acquisitions by type of qualification	
Real estate notaries	552
First-class registered architects	34
Redevelopment planners	6
• Percentage of women in management	11.3%
• Percentage of persons with disabilities employed	1.8%
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% of detached houses
Social and Relationship Capital	
Building regional revitalization and relationships of trust for the long term with all stakeholders	
• Number of new built-for-sale condominiums sold	
Metropolitan areas:	757
Outside metropolitan areas:	1,457
• Increase in the number of units under management:	4,058
• Total number of redevelopment and rebuilding projects:	18 (year-on-year increase of 1 project)
Natural Capital	
Effective use of resources and initiatives for renewable energy to reduce environmental impact	
• Increase in renewable energy generation capacity	43 MW
• Greenhouse gas emissions decreased by	30,640 t-CO <sub>2</sub>
• Energy consumption decreased by	742.3kL (crude oil equivalent)
• Current power generation capacity	363 MW

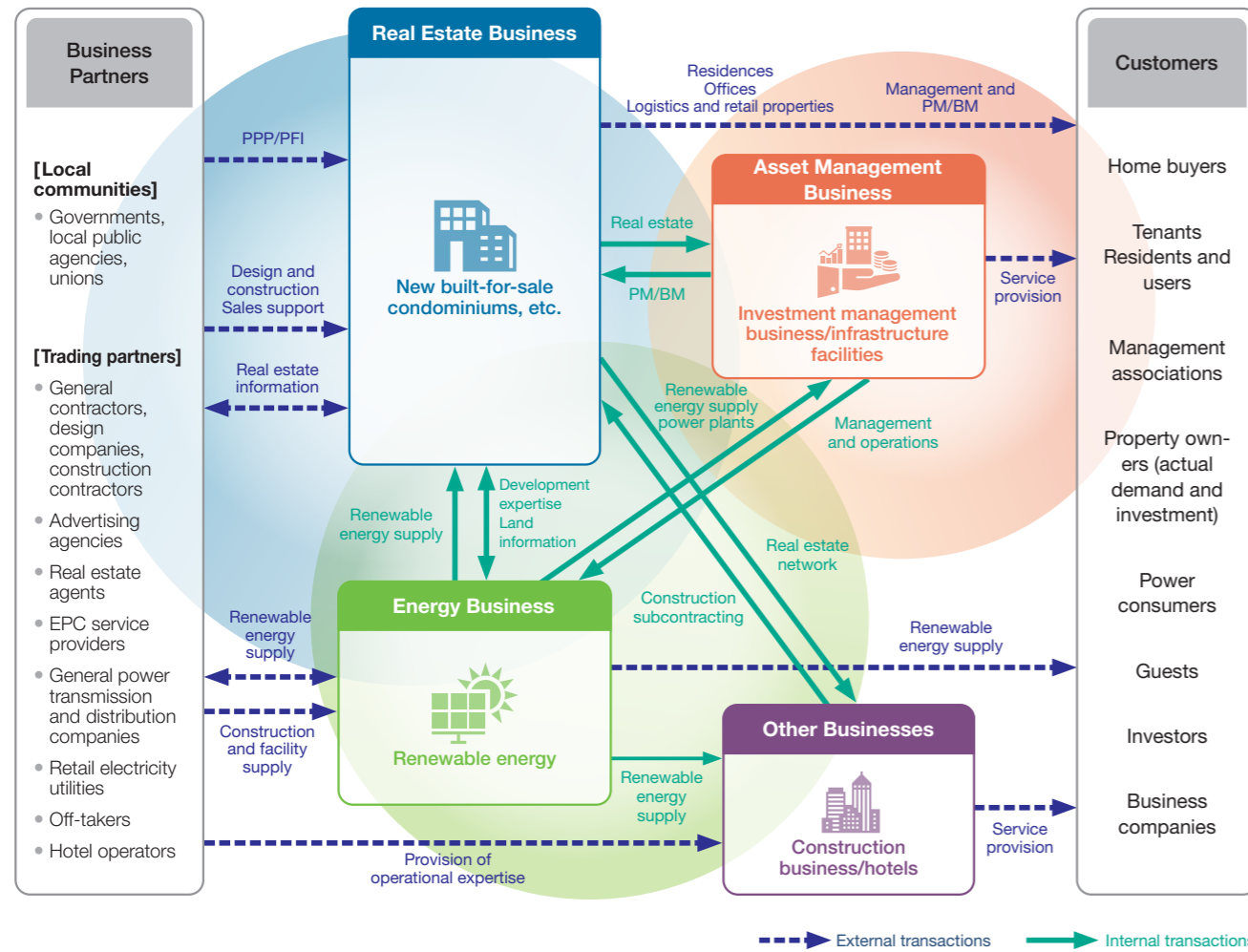
### Impact

- Customers (corporations and individuals)**
  - High-quality, comfortable living spaces that address diversifying lifestyles
  - Lower environmental impact owing to the supply of renewable energy
- Local communities**
  - Regional revitalization through development projects
  - Sustainable cities in which people, nature, and society coexist
- Trading partners**
  - Sustainable growth throughout the supply chain
  - Safe, secure construction
- Employees**
  - Corporate culture in which diverse human resources can thrive
  - Rewarding workplace environments in which employees are happy
- Shareholders and Investors**
  - Greater long-term corporate value
  - Return of profits

# Explanation of the Value Creation Process

In addition to its core Real Estate Business, including new built-for-sale condominiums, the MIRARTH HOLDINGS Group is leveraging its real estate-related knowledge across a wide range of other business operations, including the energy, asset management, and hotel businesses. We are working to enhance our corporate value by ensuring that these businesses coordinate with each other and generate new synergies.

## Business Model



Among our mainstay Real Estate Business, the new built-for-sale condominium business, which manages LEBEN and other brands, accounts for half of net sales. Although this business is primarily focused on the Tokyo metropolitan area, it also sells family condominiums to first-time home buyers throughout Japan. In 2010, we applied our planning and development expertise in condominium business to enter the detached house business for detached houses built by the Company. On the strength of our networks that extend to every corner of Japan, we have gone beyond simply sharing real estate information with our trading partners, and are now directly involved in public private partnerships (PPP) and private finance initiatives (PFI) with local public agencies.

Similarly, we now recognize the Energy Business, which we entered in 2013 following the introduction of the Japanese government's electricity generation feed-in tariff (FIT) system, as a growth area that will stand as another pillar of business,

second only to the Real Estate Business. In addition to power consumers, we also supply renewable energy to the condominiums, hotels, and other properties in which we are involved. Likewise, when we develop power generation facilities, our expertise and land information from the Real Estate Business play a role and generate a positive synergistic effect.

We also engage in the asset management business, which manages listed REITs, infrastructure funds, and private placement funds, using the expertise, knowledge, and networks established by the Group. We are also involved in a wide range of other businesses through our Group companies, including construction subcontracting business that utilize sophisticated quality management systems and consider approaches to reducing environmental impacts, and hotel management business that operate under three original brands.

These businesses do more than just distribute the risks faced by the Group, they also help solve the challenges faced by society.

## Real Estate-Related Knowledge

**Development Capabilities:** Leveraging the real estate networks we have established since our founding in 1972, we possess development and housing lot purchasing capabilities corresponding to a wide range of assets, from new built-for-sale condominiums to new detached houses, income-generating real estate, and power generation facilities.

**Planning Capabilities:** The Group has grown on the strength of our swift, unconventional planning capabilities enabled by an integrated development, planning, and sales system. We rapidly plan products with high added-value that offer both a superior level of design characteristics and living comfort. We have utilized these planning capabilities to actively promote business diversification and fusion beyond the Real Estate Business in a way that includes the energy, asset management, and other businesses.

**Management Capabilities:** With the aim of improving quality to comprehensively support the creation of comfortable living environments for customers, we have introduced an original SQMS® quality management system that complies with ISO9001, the international standard for quality management systems, to the management of condominiums. Leveraging the high level of management capabilities we have cultivated over our long history, we manage the condominiums that we have developed on our own, as well as manage, under contract, those developed by other companies. In addition, we use these capabilities to provide property management (PM) and building management (BM) services for rental properties developed and sold to real estate and other funds through the liquidation business, and to manage solar power generation facilities.

## Inputs

**Financial Capital:** In order to achieve sustainable growth, we have emphasized asset allocation that optimizes the balance between investments and returns in our core Real Estate Business, Energy Business, and Asset Management Business, and have organized a structure that generates stable revenues and cash flows. Similarly, we are seeking to diversify our funding sources by strengthening our ties with local financial institutions and by utilizing sustainability finance-based funding procurement.

**Human Capital:** The Group believes that realizing our purpose relies heavily on the development of human resources that can undertake challenges of their own initiative. Likewise, we support employees in their efforts to acquire Real Estate Transaction Qualifications and other types of certifications, and work to develop experts of the highest quality. Moreover, by offering working conditions that correspond to the life stages of each employee, we are improving work environments in a way that enables diverse human resources to maximize their potential.

**Intellectual Capital:** The skills and expertise the Group has acquired serve as the source of business value. With our original condominium brands, we are working to set ourselves apart through superior design capabilities and high-quality

management systems, and to satisfy a diverse range of lifestyles. As a result, the LEBEN new built-for-sale condominium brand placed fourth on the Nationwide Condominium Brand Recognition Ranking (2023), indicating a steadily growing awareness among society.

**Social and Relationship Capital:** The Group's major subsidiaries and business locations leverage our strengths in their respective regions to exercise synergy together with governments, local public agencies, and partner companies. Under the long-term vision of "Be the Takara (treasure) of the Community," our individual employees perceive the unique policies and needs of their regions, and address these through business in order to help solve the challenges faced by local communities.

**Natural Capital:** The Group sells electricity generated using renewable energy to electric power companies, thereby ensuring a stable supply of power as part of our efforts to fulfill our roles in contributing to society. Moreover, we are advancing initiatives to establish a business model that does not rely on the FIT system. This move will enable us to contribute to a sustainable future by diversifying our business portfolio beyond solar power to include wind and biomass power, and a business that produces biomass fuel from cashew shells, for example.

## Output/Outcome/Impact

Along with creating a sound financial foundation that enables further investments for growth and other types of financial value, the Group also generates non-financial forms of corporate value, including the success of diverse human resources and a lower environmental impact. To do so, we utilize these different types of capital to deploy a business model that encompasses the Real Estate, Energy, Asset Management,

and Other businesses. We accumulate the value resulting from co-creation with our corporate and individual customers, local communities, trading partners, employees, shareholders, investors, and other stakeholders, as we seek to achieve our purpose of "To design sustainable environments for a happier future for both people and our planet."

# Risks & Opportunities

In light of changes in the external environment, the MIRARTH HOLDINGS Group has identified major social issues with the potential to impact value creation over the medium to long term, and derived the risks and opportunities related to these. The Group then re-identified the materiality with which it must engage by

clearly defining these risks and opportunities. By appropriately addressing risks and leveraging opportunities, the Group will enable solutions to social issues and create value.

Social issues and external environment	Risks					Opportunities	Response		Relevant materiality	
	Details	Occurrence	Likelihood of occurrence	Impact on business	Stakeholder(s) impacted		Details	Timeframe		
Environment	<ul style="list-style-type: none"> <li>Increasingly serious global environmental issues</li> </ul>	<ul style="list-style-type: none"> <li>Stricter regulations for greenhouse gas usage/ emissions and energy conservation</li> <li>More stringent building standards due to stricter laws and regulations</li> <li>Increase in costs associated with the provision of environmentally conscious products</li> </ul>	Medium term	High	Large	Business partners	<ul style="list-style-type: none"> <li>Invigoration of the renewable energy market due to growing interest in environmental issues</li> <li>Increased demand for renewable energy contributing to higher electricity prices</li> </ul>	<ul style="list-style-type: none"> <li>Development of renewable energy generation facilities</li> <li>Reduction of carbon dioxide emissions</li> <li>Building of an internal system in compliance with external evaluation organization standards</li> <li>Acquisition of environmental performance certification</li> </ul>	Short term	<b>Environment</b> <ul style="list-style-type: none"> <li>Addressing climate change and decarbonization</li> <li>Promoting the stable supply and use of renewable energy</li> </ul>
	<ul style="list-style-type: none"> <li>Incidence of natural disasters and accidents/Spread of infectious diseases</li> </ul>	<ul style="list-style-type: none"> <li>Raw materials/component supply shortages</li> <li>Asset damage</li> <li>Disruption to Group business facilities, supply chains, and customers</li> <li>Disruption to business operations</li> <li>Decline in hotel and tenant occupancy rates</li> </ul>	Short term Medium term Long term	Medium	Large	Customers Employees Business partners	<ul style="list-style-type: none"> <li>Increased properties needing large-scale renovation</li> <li>Increased interest in disaster-resistant buildings</li> <li>Creating demand for new products and services to meet changing lifestyles</li> </ul>	<ul style="list-style-type: none"> <li>Promote earthquake-proofing of buildings and facilities, implement countermeasures for tsunamis, torrential rain, and floods</li> <li>Stockpile emergency supplies necessary for disasters</li> <li>Conduct disaster prevention drills, formulate and promote BCP</li> <li>Differentiation of products and services (equipment, meeting of specifications, installation of telework spaces through renovation)</li> </ul>	Short term	
Social	<ul style="list-style-type: none"> <li>Excess supply of renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>Decline in electricity sales revenue</li> </ul>	Short term	High	Small	Shareholders and investors	<ul style="list-style-type: none"> <li>Expansion of Corporate PPA</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of area strategies in the energy business</li> <li>Utilization of rechargeable batteries</li> </ul>	Medium term	<b>Social</b> <ul style="list-style-type: none"> <li>Realizing sustainable growth of local communities</li> <li>Addressing the declining birthrate, aging population, and shrinking workforce</li> <li>Ensuring the health and safety of employees</li> <li>Promoting Diversity Equity &amp; Inclusion (DE&amp;I)</li> <li>Respect for human rights and supply chain management</li> </ul>
	<ul style="list-style-type: none"> <li>Acts of terrorism, riots, and war</li> </ul>	<ul style="list-style-type: none"> <li>Disruption to Group business facilities, supply chains, and customers</li> <li>Geopolitical risk</li> <li>Supply chain fragmentation</li> </ul>	Short term Medium term Long term	Low	Medium	Customers Employees Business partners		<ul style="list-style-type: none"> <li>Conducting of credit checks on business partners</li> <li>Verification of geopolitical risk</li> <li>Stabilize procurement prices mainly by diversifying suppliers, decentralizing on a regional basis, and using long-term contract</li> </ul>	Medium term	
	<ul style="list-style-type: none"> <li>Economic policy changes (changes in laws and regulations, interpretations of laws and regulations, and operational policies)</li> </ul>	<ul style="list-style-type: none"> <li>Decreased number of commercialization projects due to subsidy system revisions</li> <li>Lost business opportunities due to changes in FIT</li> <li>Stricter regulations for energy conservation</li> <li>Strengthening of regulations on building standards</li> </ul>	Short term Medium term	High	Large	Business partners	<ul style="list-style-type: none"> <li>Increased number of commercialization projects due to an expansion in subsidies</li> <li>Ongoing low-interest housing loans, eased tax reduction requirements</li> <li>Introduction of new systems to replace FIT</li> </ul>	<ul style="list-style-type: none"> <li>Pursue new businesses such as PPA</li> <li>Strengthening of information-gathering activities</li> </ul>	Short term	
	<ul style="list-style-type: none"> <li>Diversification of housing needs due to changes in lifestyles (Growth in DINKs, dual-income households, seniors relocating to condominiums, development of telework)</li> </ul>	<ul style="list-style-type: none"> <li>Insufficient response to changing consumer needs</li> </ul>	Short term Medium term	High	Large	Customers	<ul style="list-style-type: none"> <li>Capture demand generation/growth opportunities via new products and services</li> <li>Expansion in demand for compact condominiums</li> <li>Expansion of business areas</li> </ul>	<ul style="list-style-type: none"> <li>Quickly reflect consumer needs in product planning</li> <li>Supply of a wide range of products, including compact condominiums and renovated properties</li> <li>Launching new businesses</li> </ul>	Short term	
	<ul style="list-style-type: none"> <li>Changes in political conditions and economic trends</li> </ul>	<ul style="list-style-type: none"> <li>Deteriorating supplier operating conditions</li> <li>Intensified competition including new entrants, and rapid environmental changes</li> </ul>	Medium term	Medium	Large	Business partners	<ul style="list-style-type: none"> <li>Reduced competition resulting in increased opportunities to acquire land and properties</li> <li>Increase in M&amp;A opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Redouble efforts to diversify financing methods, strengthen financial management</li> <li>Implement ongoing performance monitoring and countermeasures</li> <li>Strengthening of overseas business</li> </ul>	Short term	
	<ul style="list-style-type: none"> <li>Changes in interest rate trends</li> </ul>	<ul style="list-style-type: none"> <li>Decline in buyer appetite due to increasing housing loan interest rates</li> <li>Increased funding costs due to changes in financial institution lending attitudes and financing market conditions</li> </ul>	Short term	High	Large	Customers	<ul style="list-style-type: none"> <li>Fund management (equity, bonds, and investment)</li> </ul>	<ul style="list-style-type: none"> <li>Make use of fixed interest rates</li> <li>Appropriate LTV management</li> </ul>	Short term	
	<ul style="list-style-type: none"> <li>Low birthrate coupled with an aging and declining population</li> </ul>	<ul style="list-style-type: none"> <li>Decreasing demand for housing</li> </ul>	Long term	High	Large	Customers	<ul style="list-style-type: none"> <li>Increased demand for condominiums among seniors</li> <li>Increase in opportunities for proposing solutions to vacant house issues and aging buildings</li> <li>Development of compact cities</li> </ul>	<ul style="list-style-type: none"> <li>Supply condominiums in the center of regional cities</li> <li>Promotion of redevelopment and reconstruction of business</li> <li>Strengthening of overseas business</li> </ul>	Short term	
	<ul style="list-style-type: none"> <li>Changes in the operating environment</li> </ul>	<ul style="list-style-type: none"> <li>Declining business profitability</li> <li>Imbalance between purchasing (investment) and recovery (selling)</li> <li>Launch of a new business</li> </ul>	Short term Medium term	High	Medium	Customers Employees Business partners		<ul style="list-style-type: none"> <li>Control of financial indicators set as targets</li> <li>Thorough management of the Group's portfolio</li> <li>Visualization of profitability in each division</li> </ul>	Long term	
	<ul style="list-style-type: none"> <li>Surge in land prices as well as raw material and construction (labor) costs</li> </ul>	<ul style="list-style-type: none"> <li>Soaring procurement prices</li> <li>Decrease in profit</li> <li>Slower sales due to higher selling prices</li> </ul>	Short term Medium term	High	Large	Business partners		<ul style="list-style-type: none"> <li>Stabilize procurement prices mainly by diversifying suppliers, decentralizing on a regional basis, and using long-term contracts</li> </ul>	Short term	
	<ul style="list-style-type: none"> <li>Shortages and difficulties in securing human resources, mobility in human resources</li> </ul>	<ul style="list-style-type: none"> <li>Lower product and service quality</li> <li>Occurrence of occupational accident</li> <li>Decrease in labor productivity</li> <li>Decrease in employee satisfaction</li> <li>Talent drain</li> </ul>	Medium term Long term	Medium	Large	Employees	<ul style="list-style-type: none"> <li>Securing the highest-quality workers</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of measures aimed at improving employee loyalty</li> <li>Personnel system reform, enhancement and upgrading of various training systems</li> <li>Implementation of branding penetration measures</li> <li>Promotion of DX (digital transformation)</li> <li>Welcoming a diverse workforce</li> </ul>	Short term	
Governance	<ul style="list-style-type: none"> <li>Incidence of unauthorized access and cyberattacks</li> </ul>	<ul style="list-style-type: none"> <li>Leakage of confidential information and stoppages of production lines and logistics systems</li> <li>Payment of damages and fines, incurring countermeasure expenses</li> </ul>	Short term Medium term	Low	Medium	Customers Business partners		<ul style="list-style-type: none"> <li>Strengthening of insurance contracts and information security systems</li> </ul>	Short term	<b>Governance</b> <ul style="list-style-type: none"> <li>Strengthening corporate governance</li> <li>Strengthening risk management</li> <li>Ensuring corporate ethics and compliance</li> </ul>
	<ul style="list-style-type: none"> <li>Insufficient internal control function</li> </ul>	<ul style="list-style-type: none"> <li>Improper conduct, leakage of confidential information</li> <li>Payment of damages and fines, incurring countermeasure expenses</li> <li>Impact on reputation and standing</li> </ul>	Short term Medium term	Low	Medium	Customers Business partners Shareholders and investors		<ul style="list-style-type: none"> <li>Identify issues and promote resolutions via the Compliance Committee and the Risk Management Committee</li> <li>Conducting thorough compliance education</li> <li>Improving security literacy</li> <li>Introduction of clawback provisions</li> </ul>	Short term	

Short term : to 2025 Medium term : to 2030 Long term : to 2050

# Materiality

In light of our transition to a holding company structure and changes in the business climate, the MIRARTH HOLDINGS Group reidentified its materiality (key issues) in FY2023. Having raised “realizing a decarbonized society,” “creating sustainable cities,” “enhancing well-being,” and “strengthening governance” as our four key themes for sustainability, we set KPI to measure the specific outcomes of these based upon 10 newly identified materiality.

## Sustainability Key Themes and Materiality Identification Process

The Group has identified materiality and implemented measures to address them through the following process with the aim of contributing to a sustainable society and enhancing corporate value. The Group contributes to the realization of a sustainable society and enhancement of corporate value by proactively addressing social issues.

<b>STEP 1</b>	<b>Listing of Social Issues</b>	We identified social issues from an environmental, social, and governance (ESG) perspective based on the analysis of ESG evaluation organizations and market trends.
<b>STEP 2</b>	<b>Identification of Risks and Opportunities</b>	We clarified the risks and opportunities for the Group in each issue. Through this analysis, we identified issues and opportunities that we may face in our corporate activities.
<b>STEP 3</b>	<b>Identification of Stakeholder Impacts</b>	We assessed how the Group will be affected by these issues and how the Group will affect them.
<b>STEP 4</b>	<b>Assessment of Importance</b>	Following discussions at workshops attended by the management of each Group company, we selected social issues of particular importance. These issues are directly related to the strategic decisions of the Group and have an impact on long-term corporate growth.
<b>STEP 5</b>	<b>Examination of Measures</b>	We examined measures to mitigate risks and expand opportunities for issues of high importance. Through workshops, specific action plans were developed, including technological innovation and business process improvements.
<b>STEP 6</b>	<b>Identification of Materiality</b>	Based on the above process, we identified and validated the materiality of the Group.
<b>STEP 7</b>	<b>Establishment of KPIs</b>	Based on the selected materiality, we set KPIs to measure specific results. This allows us to regularly evaluate the effectiveness of our measures and achieve sustainable growth. The contents of the materiality and targets/KPIs have been approved by the Sustainability Committee and are made public.

## Sustainability Key Themes

### Environment

#### Realizing a Decarbonized Society

While working to ensure a stable supply of renewable energy, we aim to promote environmentally friendly development with a low environmental impact by incorporating energy conservation measures and strive to mitigate climate change issues.



Materiality	KPI	Targets for FY2024
Addressing climate change and decarbonization	CO <sub>2</sub> emission reduction rate (Scope 1, 2 and 3)	45%*1 (compared to FY2022)
	Number of internal initiatives contributing to energy conservation	10 initiatives
	Active development of renewed/renovated condominiums	
Promoting the stable supply and use of renewable energy	Total renewable energy generation capacity	780MW*2
	Acquisition of environmental performance certification	5 buildings
	Adoption rate of ZEH standard in detached houses	100%*3
	Promoting the use of renewable energy in the business of newly built condominiums for sale	

### Social

#### Creating Sustainable Cities

We will contribute to the development of local communities and the enrichment of people's lives, and to the realization of a sustainable future through the provision of products and services that respond to social issues and changing needs.



Materiality	KPI	Targets for FY2024
Realizing sustainable growth of local communities	Number of housing supply projects overseas	3 projects
	Number of redevelopment / reconstruction projects undertaken	10 projects*4
	Results of satisfaction survey on condominium management services	5 points or more / 6 points
	Number of nonconformities related to business processes and quality standards	Less than 10 cases
Addressing the declining birthrate, aging population, and shrinking workforce	Training hours per person	25 hours
	Promoting acquisition of DX Business Certification	
	Proposing new services for lifestyles	10 proposals

#### Enhancing Well-Being

We will protect the mental and physical health and safety of our employees, foster a workplace culture in which diverse human resources can play an active role, and build co-creation relationships through dialogue with stakeholders.



Materiality	KPI	Targets for FY2024
Ensuring the health and safety of employees	Percentage of employees receiving stress check	100%*5
	Percentage of employees taking paid leaves	70%*6
	Percentage of male employees taking childcare leave	85%*1
	Special patrols (safety checks) at construction sites	4 times a year
Promoting Diversity Equity & Inclusion (DE&I)	Employment rate of persons with disabilities	2.5%
	Percentage of female managers	20%*1
	Percentage of females hired	30%
Respect for human rights and supply chain management	Holding safety conventions	Once a year
	Establishment of human rights due diligence system	
	Implementation of supply chain management	

### Governance

#### Strengthening Governance

We aim to fulfill our corporate social responsibility by promoting sound corporate activities and ensuring transparency in decision-making, and to continuously enhance our corporate value.



Materiality	KPI	Targets for FY2024
Strengthening corporate governance	Evaluation of the effectiveness of the Board of Directors	
	Consideration of introduction of clawback provisions	
Strengthening risk management	Verification and management of critical risks	
	Formulation of BCP manuals	
Ensuring corporate ethics and compliance	Providing compliance education	Three times a year
	Compliance questionnaire for all employees	Once a year
	Awareness rate of whistleblower system	100%

\*1 Set as a mid-term target until FY2030

\*2 MW based on solar power conversion, and set as a mid-term target until FY2029

\*3 Houses with insulation performance grade 5 and primary energy consumption grade 6 (excluding renewable energy standards)

\*4 Including excellent building maintenance projects, etc.

\*5 Only calculated companies that conducted stress checks

\*6 Calculated companies that uniformly grant annual paid leaves

See the website for previous key themes for sustainability, as well as for FY2023 targets and Achievements. <https://mirarth.co.jp/en/sustainability/strategies/materiality/>



# Creating Value with our Stakeholders

The MIRARTH HOLDINGS Group aims to achieve sustainable growth by evolving into a “future environment design company.” In order to achieve this, we believe it is important to actively engage in dialogue with our stakeholders and co-create value in line with our Sustainability Basic Policy.

## Sustainability Basic Policy

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

Main stakeholders	Stakeholder expectations and requests	Dialogue methods and opportunities	Examples of our main engagement efforts with stakeholders	
 <p><b>Customers</b> (corporations and individuals)</p> <ul style="list-style-type: none"> <li>Contracting parties and tenants of condominiums and detached houses</li> <li>Users of tenant buildings</li> <li>Users, etc. of various services</li> </ul>	<p>The Group believes that it is important to be close to its customers and to promote the provision of better products and services. In addition to providing products and services that address today's increasingly diversified lifestyles, we also meet the needs of our customers by providing products and services that leverage group synergies, including those in the areas of liquidation, asset management, and the provision of renewable energy.</p>	<ul style="list-style-type: none"> <li>Supply of valuable products and services</li> <li>Improvement of customer satisfaction in all areas, including quality and cost</li> <li>Supply of environmentally friendly products</li> <li>Provision of accurate and appropriate information concerning products and services</li> </ul>	<ul style="list-style-type: none"> <li>Introduction of an online consultation system</li> <li>Execution of a sales staff questionnaire and a tenant questionnaire</li> <li>Publication of "Smilax" quarterly</li> <li>Disaster prevention and preparedness training</li> </ul>	<ul style="list-style-type: none"> <li>Provision of properties with ZEH-M Oriented certification, etc. P.48</li> <li>Provision of housing and services that meet diverse lifestyle needs P.52</li> <li>Provision of condominium management services that support safe and secure lifestyles P.53</li> <li>Strengthening of disaster prevention and preparedness P.53</li> </ul>
 <p><b>Local communities</b></p> <ul style="list-style-type: none"> <li>Local communities, residents, local governments, etc. related to MIRARTH HOLDINGS Group business</li> </ul>	<p>In response to social issues such as the population concentrating in urban areas and depopulation in rural areas, we are working to revitalize rural areas through city-building efforts. In addition to working together with the public and private sectors to create safe, secure, and attractive cities through improvements in functionality and livability, we are also taking on the challenge of creating cities of the future by promoting the integration of our real estate, energy, and asset management businesses.</p>	<ul style="list-style-type: none"> <li>Prevention of accidents and disasters</li> <li>Collaboration and coordination in solving social issues</li> <li>Securing of employment</li> <li>Participation in social contribution activities</li> </ul>	<ul style="list-style-type: none"> <li>Participation in and sponsorship of local events</li> <li>Holding of community events at managed properties</li> <li>Implementation of social contribution activities</li> </ul>	<ul style="list-style-type: none"> <li>Regional revitalization through reconstruction and redevelopment business operations P.54</li> <li>Using the hotel business to contribute to regional revitalization P.55</li> </ul>
 <p><b>Trading partners</b></p> <ul style="list-style-type: none"> <li>Construction contractors</li> <li>Business operators, etc. related to the provision of various services</li> </ul>	<p>We are working to build new partnerships and further strengthen our relationships of trust by cooperating with all parties involved in the building of supply chains and promoting coexistence and co-prosperity. In addition to ensuring clear communication with our partner companies and conducting thorough on-site inspections in line with the aim of improving quality and minimizing workplace accidents, we are also working to bolster our cooperative relationships in times of disaster</p>	<ul style="list-style-type: none"> <li>Fair and evenhanded transactions</li> <li>Information sharing and collaboration with the aim of ensuring customer satisfaction and sustainable procurement</li> </ul>	<ul style="list-style-type: none"> <li>In-process inspections</li> <li>Health and safety patrols</li> <li>Safety meetings and guidance on safety measures for partner companies</li> </ul>	<ul style="list-style-type: none"> <li>Fair and evenhanded transactions</li> <li>Collaboration and coordination in operations</li> </ul>
 <p><b>Employees</b></p> <ul style="list-style-type: none"> <li>MIRARTH HOLDINGS Group employees and their families</li> </ul>	<p>We aim to provide a steady level of training and create a sense of purpose in our employees so that they can be co-creators in lasting growth. In addition, we are working to train future leaders so as to create a workforce with the ability to think and act for themselves, while also working to create an environment where young employees can work with a sense of purpose. Moreover, with a focus on the life stages of our employees, we are striving to create a workplace environment that allows our diverse workforce to put their abilities to the best use.</p>	<ul style="list-style-type: none"> <li>Creation of prosperous lives for employees and their families</li> <li>Human resource utilization and development</li> <li>Appropriate evaluations and compensation</li> <li>Respect for human rights, personality, and individuality</li> <li>Creation of workplaces in which diverse personnel can thrive</li> <li>Attention to occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of training programs</li> <li>Implementation of human resource and evaluation interviews</li> <li>Surveys on employee happiness</li> <li>Operation of helpline desks</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of the education and training system, including MIRARTH INNOVATION LABO P.44</li> <li>Strengthening communication with employees through group events and group websites P.45</li> <li>Promoting the active participation of a diverse range of human resources through the Women's Activity Promotion Project and by advancing the taking of childcare leave by male employees P.46</li> <li>Employee safety and health management P.47</li> </ul>
 <p><b>Shareholders and investors</b></p> <ul style="list-style-type: none"> <li>Individual and institutional investors</li> </ul>	<p>We believe that establishing a constructive dialogue with our shareholders and investors requires us to provide them with appropriate information. We are working to advance dialogue that deepens shareholder and investor understanding of the Group initiatives that aim to transform our business model and evolve the Group into a future environmental design company.</p>	<ul style="list-style-type: none"> <li>Improvement of corporate value</li> <li>Securing stable profits and providing appropriate returns</li> <li>Enhancement of corporate governance system</li> <li>Creation of risk management systems</li> <li>Appropriate disclosure of corporate information at appropriate time</li> </ul>	<ul style="list-style-type: none"> <li>Holding financial results briefings and general meetings of shareholders</li> <li>Holding meetings with domestic and overseas institutional investors</li> <li>Holding briefings for individual investors</li> <li>Disclosing IR information on the website</li> </ul>	<ul style="list-style-type: none"> <li>Providing leadership with feedback and incorporating into the Group's management the opinions and requests of shareholders and investors as learned through IR activities</li> <li>Improving the website in order to enhance dialogue with shareholders and investors</li> </ul>

# 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	FY2020	Net Sales 148,397 million yen Gross Profit 29,928 million yen		
		Equity Ratio LTV D/E Ratio ROE	25.6% 60.5% 2.3 times 14.3%	Equity Ratio LTV D/E Ratio ROE	26.5% 58.0% 2.2 times 9.0%		
Plan Framework and Results	Plan Framework	Results		Strategies by Segment			
	• Profit ratio Aim for 35% for stock and fee-based businesses	Stock and fee-based businesses profit ratio: <b>13.9%</b> > <b>33.7%</b> (FY2014) (FY2017)		<b>Real Estate Sales Business</b> [New Built-for-Sale Condominiums] • Targets include families, dual-income families, single-person households, seniors • Supply of compact condominiums that meet changes in the times [New Detached Houses] • Outskirts of Tokyo metropolitan area, within 10 minutes walk of station • Thorough implementation of short-term return cycle [Renewal Resale] • Uptake of expanding used condominium needs • Increase number of owned units, develop a business cycle [Liquidation] • 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	
		• 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: <b>24.2%</b> > <b>51.3%</b> (FY2014) (FY2017)		<b>Real Estate Rental Business</b> • Securing of stable revenue <b>Real Estate Management Business</b> • Replace other companies in management with competitive services • Spin-off into other businesses, such as large-scale repair works <b>Electric Power Generation (Currently Energy) Business</b> • Development of environment-friendly renewable energy • Incorporation of post facility-sale commission income <b>Other Businesses</b> • Expansion of revenue derived from each segment		Restructured the system by hand-picking 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 Declined due to expansion of liquidation sales 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 Increase in management compensation due to expansion of scale of infrastructure fund and REIT
	• 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 capacity: <b>16<sub>MW</sub></b> > <b>103<sub>MW</sub></b> (As of March 31, 2015) (As of March 31, 2018)				
		Number of units under management: <b>38,700<sub>units</sub></b> > <b>49,650<sub>units</sub></b> (As of March 31, 2015) (As of March 31, 2018)					
	Net sales of real estate rental business: <b>2,898<sub>million yen</sub></b> > <b>5,472<sub>million yen</sub></b> (FY2014) (FY2017)						
	Issues	<ul style="list-style-type: none"> <li>Schedules for completion of construction postponed due to lengthened project schedules</li> <li>Increase in assets and debt due to expanded areas of investment</li> <li>Completion of construction concentrated in the fourth quarter for a large number of projects</li> <li>Rising personnel expenses due to an increase in personnel and workstyle reforms</li> </ul>		<ul style="list-style-type: none"> <li>Operating income and ordinary income fell short of goals due to increased sales and personnel expenses following nationwide expansion</li> <li>Booked valuation write-downs of some hotel project inventories as the impact of COVID-19 began to emerge</li> <li>Facility sales schedule postponed in the electric power generation business due to the careful selection of projects and delayed construction</li> </ul>			

# Progress under the Medium-Term Management Plan (FY2021 to FY2024)

## Medium-Term Management Plan 7 Elements FY2023 Progress

### 1. Further growth of core businesses

Business		Main Measures / Goals	Progress in FY2023
Real Estate Business	New built-for-sale condominium	<ul style="list-style-type: none"> <li>Restructure the stable, nationwide supply system. Aim to record 2,200 units in sales in FY2024</li> <li>Nationwide sales with a metropolitan area ratio target of 50% in FY2024 as an indicator</li> <li>Promote active penetration in redevelopment projects such as station-front redevelopment and renewal project for aging condominiums</li> </ul>	<ul style="list-style-type: none"> <li>Number of new built-for-sale condominium sold: 2,214 units</li> <li>Metropolitan area ratio: 34.2%</li> <li>Participation in the Fukui Ekimae Densha Dori North District B Block Type 1 urban redevelopment project</li> </ul>
	Liquidation	<ul style="list-style-type: none"> <li>Maintain the investment pace of 30 to 50 billion yen per year</li> <li>Actively promote rental residence development</li> </ul>	<ul style="list-style-type: none"> <li>Investment amount: 23.3 billion yen</li> <li>Sales amount: 30.6 billion yen</li> </ul>
	New detached house	<ul style="list-style-type: none"> <li>Strengthen selection of purchasing areas</li> <li>Develop primarily in the Tokyo metropolitan area</li> </ul>	<ul style="list-style-type: none"> <li>Net sales: 13.4 billion yen</li> <li>Number of units sold: 222 units</li> </ul>
	Renewal resale	<ul style="list-style-type: none"> <li>Aim for 800 to 1,000 owned units by establishing a stable renewal business cycle</li> </ul>	<ul style="list-style-type: none"> <li>Number of owned units as of the period-end: 528 units</li> </ul>
	Real estate rental	<ul style="list-style-type: none"> <li>Aim to steadily accumulate rental income stock as stock-type fees through long-term ownership</li> </ul>	<ul style="list-style-type: none"> <li>Net sales: 5.8 billion yen</li> <li>Gross profit margin: 23.8%</li> </ul>
	Real estate management	<ul style="list-style-type: none"> <li>Continue to increase the managed units as a stock business mainstay; aim for a total of over 80,000 managed unit in FY2024</li> </ul>	<ul style="list-style-type: none"> <li>Number of managed units: 76,661 units</li> <li>Percentage of non-Group units managed: 51.7%</li> </ul>

### 2. Maximized group synergies

- After transitioning to a holding company structure, we developed Holdings-based shared services.
- Accelerated Group-wide strategic initiatives centered on public relations, legal affairs, and DX.

### 3. Optimized business portfolio

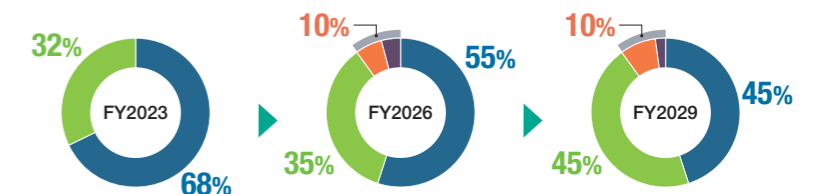
- Conducted portfolio sessions with each division.
- Implemented regular verifications of intra-group efforts to optimize the allocation of assets.

#### EBITDA percentage

Aim for the real estate business: Energy business = 1:1 on EBITDA\* basis in FY2029

- Real Estate Business
- Energy Business
- Asset Management Business
- Other Businesses

#### Segment Composition



\* EBITDA= Operating income + Depreciation and amortization

### 4. Establishment of a stable financial ground

- The borrowing ratio expanded temporarily due to the infrastructure fund TOB, but improved thanks to effective portfolio management in each of the businesses.

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

- Improved productivity by advancing DX in budgetary management.
- Enhanced security by moving to cloud-based servers and implementing groupware revisions.

### 6. Proactive ESG considerations

- Revised the CO<sub>2</sub> emissions reduction target for achieving carbon neutrality to include Scope 3 emissions.

### 7. Personnel development and establishment of the rewarding workplace environment

- Aggressively invested in human capital.
- Enacted base pay increases for employees and increased initial salaries for new graduates.

## Performance Goals

	FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Plan
Net Sales	162,744	153,472	185,194	205,700
Gross Profit	33,117	31,708	40,590	42,300
Operating Income	11,877	7,030	15,457	17,000
Ordinary Income	10,258	5,033	12,984	16,000
Net Income Attributable to Owners of Parent	6,215	4,584	8,178	10,700

In FY2024, the final year in our Medium-Term Management Plan, the real estate business will work to actively supply new built-for sale condominiums, its core business, not only in the Tokyo metropolitan area, but also in the central urban areas of outlying cities, while the energy business will look to expand

business by promoting existing solar power, onshore wind power, biomass, and other forms of energy. In the asset management business, we look to increase management fees and AUM on the acquisition of properties from inside and outside the Group.

## A Message from the CFO



**Daisuke Nakamura**  
 Director, Group CFO and Managing Executive Officer  
 MIRARTH HOLDINGS, Inc.

In aims of realizing management with an awareness of capital costs and stock prices, we will evolve the business portfolio in a way that achieves stable growth for the Real Estate Business and expands the Energy Business.

### Review of the Medium-Term Management Plan's Third Year

As the third fiscal year of the MIRARTH HOLDINGS Group's Medium-Term Management Plan (FY2021-FY2024), for the most part FY2023 proceeded according to plan. In contrast to the previous fiscal year during which net income slid due to the effects of a TOB in Takara Leben Infrastructure Fund Inc., the current fiscal year saw an improvement in net income. On a year-on-year basis, net sales increased 20.7%, to 185,194 million yen, operating income grew 119.9%, to 15,457 million yen, ordinary income soared 158.0%, to 12,984 million yen, and net income attributable to owners of parent rose 78.4%, to 8,178 million yen, all of which were record highs.

As the core of the Group, the new built-for-sale condominium business saw sales prices rise due to higher raw material prices. Even so, the high willingness of customers to purchase condominiums among groups with real demand remained healthy, allowing us to transfer these cost increases to sales prices. Outcomes of note included a 353-unit

year-on-year increase in delivered units, to 2,214 units, and a 0.5 percentage point year-on-year increase in the gross profit margin, to 22.5%. Meanwhile, the liquidation business, which develops and sells residences, offices, and other income-generating real estate, recorded a higher profit margin due to sales of residential properties developed in-house, driving its gross profit margin upwards to 21.6%, well above the initial plan for FY2023 of 18.0%.

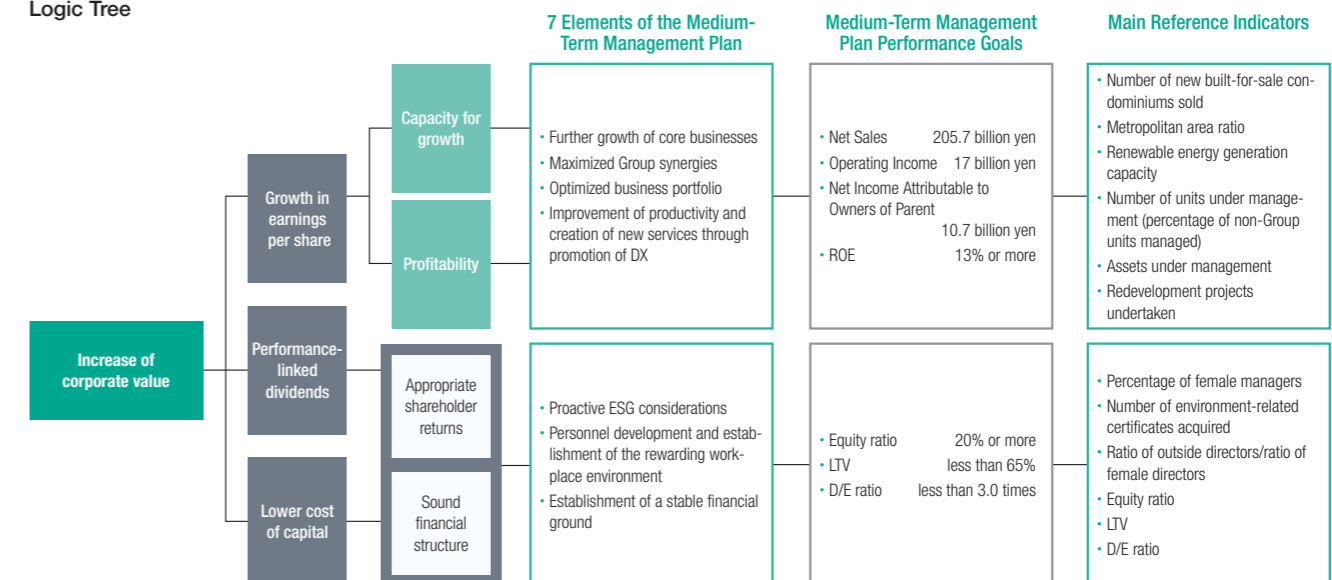
In the Energy Business, facility sales and an infrastructure fund TOB led to a broad increase in electricity sales revenues, which led to a significant 53.1% year-on-year increase in net sales, to 13,849 million yen, and a massive 427.6% increase in gross profit, to 4,361 million yen.

As the final year of the Medium-Term Management Plan, FY2024 is expected to see growth in both sales and profits compared to the previous fiscal year, with net sales reaching 205.7 billion yen and operating income reaching 17 billion yen.

#### Financial Position

	2020.3	2021.3	2022.3	2023.3	2024.3
Total assets (Millions of yen)	195,448	204,315	223,473	341,669	337,447
Shareholders' equity (Millions of yen)	50,634	54,194	59,109	61,377	65,717
Cash and cash equivalents (Millions of yen)	35,311	39,169	33,428	47,872	41,884
Interest-bearing debt (Millions of yen)	114,036	118,570	127,969	227,385	210,462
Equity ratio (%)	25.9	26.5	26.5	18.0	19.5
LTV (loan to value) (%)	58.3	58.0	57.3	66.6	62.4
D/E ratio (times)	2.2	2.2	2.1	3.5	2.9
ROE (%)	10.9	9.0	11.0	7.6	12.9

#### Logic Tree



### Optimizing Asset Allocation

I believe one of the most important moves for the Group is asset allocation that aims to optimize the balance between investments and returns in the condominium business, the Group's core revenue source, and the Energy and Asset Management businesses, the Group's second and third pillars of earnings, respectively. We therefore hold management meetings twice a month on average to which we invite each of the general managers as part of an ongoing effort to optimize asset allocation.

The TOB to the infrastructure fund resulted in the initial cost of the TOB in the Energy Business, as well as a major change in the earnings structure, which reflects secure stable stock earnings caused by postponing the planned sale of power generation facilities and by owning power generation facilities to earn income from the sale of electricity. Therefore, the numerical targets of the Medium-Term Management Plan were changed in May 2023. As far as key management indicators are concerned, the revised equity ratio is 20% or more (as of the end of FY2024), LTV is less than 65%, and the D/E ratio is less than 3.0 times. ROE remains unchanged at 13% or more for FY2023 and beyond. In FY2023, the Group achieved our targets for both LTV and D/E, with LTV reaching 62.4% and D/E rising to 2.9 times. Similarly, with the equity ratio having improved to 19.5% and ROE to 12.9% due to the absence of effects from the infrastructure fund TOB conducted in the previous fiscal year, we aim to achieve the targets for these during the final fiscal year.

As far as profitability is concerned, the Group aims for a gross profit margin of at least 20% in the new built-for-sale condominium business. We will therefore continue to deliver between 2,000 and 2,200 units as we establish a structure with the ability to secure stable earnings. With the recent increase in construction costs, the Group now sells condominiums at a

higher price per unit area than planned at the time the land was initially purchased. Moreover, longer construction times, in part, also increased the value of condominium assets to approximately 94 billion yen in September 2023. In order to manage this situation, we took the step of forming joint ventures with other companies to reduce assets, instead of developing large-scale condominiums of around 200 units in size on our own. Specifically, this move seeks to generate earnings by securing profits through the sale of half the land when the joint venture is formed, and by receiving agency fees as a sales agent under contract when selling the condominiums.

Although the liquidation business experienced a decline in NOI (net operating income) due to fewer available properties on the market and higher purchase prices, we sought to purchase high-quality properties to establish a structure with the ability to maintain a gross profit margin of 20%. As part of this effort, we intend to turn over assets once every two years or so to increase asset efficiency in the liquidation business. However, continuing to earn a gross profit margin of 20% is no easy task. This is mainly because two to three and a half years are required to complete the process of purchasing vacant land, developing and constructing properties, and selling them. With assets as of the end of FY2023 standing at approximately 57.6 billion yen, we will, in addition to future development projects, secure earnings by increasing the ratio of projects that increase the value of existing real estate to bolster the turnover rate.

Meanwhile, the Energy Business primarily contributes to stable earnings through the FIT (feed-in tariff) system, which accounts for the majority of its current earnings structure. Looking beyond the end of the FIT system, we will advance plans to increase the number of non-FIT projects on the basis of securing a minimum IRR (internal rate of return) of 6% and an equity IRR of 10% for the overall project. We have already received numerous orders

## A Message from the CFO

from members of RE100 (an international initiative through which companies commit to using renewable energy to meet all of the power needs of their own businesses) and other companies engaged in decarbonization efforts, which we will connect to greater earnings from non-FIT projects.

In fact, the Group procured 11,057 million yen from a public offering and through the allocation of new shares to third parties, both issued in May 2024, which we plan to use for the purpose of acquiring and developing renewable energy-based power generation facilities, as well as of funding for the purchase of hotel assets.

## Management with an Awareness of Capital Efficiency

The Group aims to enhance corporate value through management with an awareness of ROE, ROIC, and other forms of capital efficiency, as well as by evolving the business portfolio, as part of our efforts to reform the growth structure with a target of FY2029.

Given that consolidated business results for FY2023 saw ROIC reach 4.0%, well above a WACC of 2.4%, I believe we can achieve this target by steadily accumulating earnings through these reforms.

Moreover, we will improve performance in terms of both ROE and PER indicators in aims of enhancing PBR. Along with aiming to achieve our target ROE of 13% or more, we will elevate PER by augmenting our non-financial strategies, enhancing corporate value, and being more aggressive in communicating information.

Revising the business portfolio is a critical step towards improving ROE. I feel this way in part because having grown in a manner that places the new built-for-sale condominium business at our core, we experienced the bitter reality of recording approximately 10 billion yen in valuation write-downs following the global financial crisis in 2008. In other words, this experience showed us that continuing operations based on the Real

Estate Business alone would be a major challenge. In response to this situation, assuming eligibility for the FIT system, we installed solar panels on the roofs of condominiums, primarily slated for subdivision in suburban areas, and sold these as solar-power generating condominiums. With knowledge acquired in this Energy Business, we took the step of entering the mega-solar business, at which point Takara Leben Infrastructure Fund Inc. became the first such fund to list on the Tokyo Stock Exchange Infrastructure Fund Market in 2016.

As of FY2023, however, at 87% the Real Estate Business still accounted for an overwhelming share of total operating income from all businesses. For this reason, the Group will expand earnings from the Energy and Other businesses in the future in aims of establishing a business structure that does not rely entirely on the Real Estate Business.

In part due to increasing costs and sales prices, we intend to maintain a stable supply of new built-for-sale condominiums of around 2,000 to 2,200 units sold. Alongside selection and concentration in the Real Estate Business, we will also grow the Energy Business and Asset Management Business into new pillars of income.



## Augmenting Non-Financial Strategies

As a holdings company, I believe in the importance of extending the human capital possessed by each business. Yet the allocation of human capital must necessarily differ depending on the stage at which each segment stands. Having already established a stable structure for the new built-for-sale condominiums, I believe our first task for the Energy Business will be to muster human capital.

With "personnel development and establishment of the rewarding workplace environment" as one of the elements underpinning the Medium-Term Management Plan, in FY2023 we increased the base pay for employees at MIRARTH HOLDINGS and Takara Leben by 2.5%, and upped the initial salaries for new graduate employees. We are also promoting DX, training at all levels, and job rotations to encourage growth.

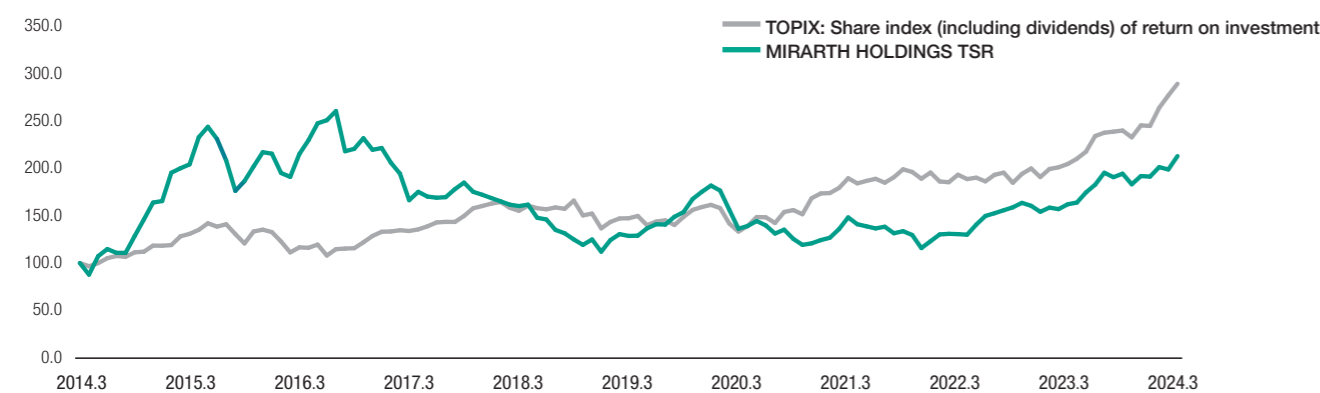
Yet, in order to enhance corporate value, we must also consider more severely measuring the degree to which operating income and ordinary income have grown per person among

the nearly 1,400 employees who work for the Group. Similarly, we must also invest reactively in each business with greater balance so that the Energy Business, one of our growth fields, can acquire a greater degree of human capital. And we will work to advance these kinds of personnel strategies to a higher level.

The Group has also raised promoting ESG management as a means of achieving sustainability management. Aside from the obvious step of strengthening governance, we will help revitalize local communities through the supply of residences in the Real Estate Business, and help realize a decarbonized society through the use of renewable energy in the Energy Business.

With a priority on our responsibilities to society as a company, realizing sustainability will require us to balance enhancements in corporate value with the creation of shared value. Which is why we will advance our operations in an even-keeled manner that contributes to society while seeking monetization.

### Stock Price Performance (TSR)



### March 31, 2014 as the Basis for TSR

	1 year	3 years		5 years		10 years	
		Cumulative	Annual rate	Cumulative	Annual rate	Cumulative	Annual rate
MIRARTH HOLDINGS	+43.0%	+55.2%	+15.8%	+77.9%	+12.2%	+112.5%	+7.8%
TOPIX	+41.3%	+52.5%	+15.1%	+96.2%	+14.4%	+188.6%	+11.2%

Notes:

\* Total shareholder return (TSR): Total rate of return on investment that combines capital gains with dividends

\* TSR for 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 MIRARTH HOLDINGS using Bloomberg data and other sources.)

\* TSR values in the graph are indexed to market prices as of March 31, 2014 as 100 (assuming the stock was held until March 31, 2024).

## Shareholder Returns Policy

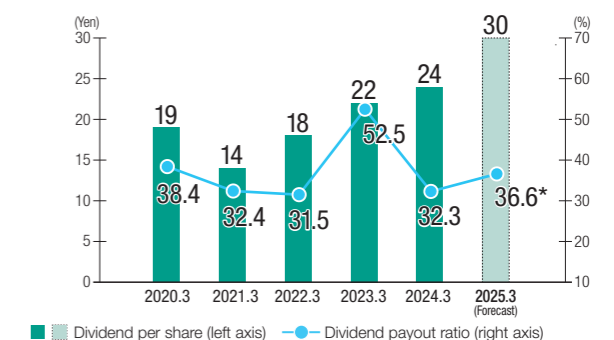
Considering the return of profits to shareholders to be one of its most important management priorities, the Group maintains a policy of providing stable dividend returns while leveraging cash in a way that is centered on growth. The Group has set a target dividend payout ratio of 30%-35% during the current Medium-Term Management Plan. Having issued an interim dividend of 6 yen per share and a year-end dividend of 18 yen per share in FY2023, our annual dividend stands at 24 yen for a dividend payout ratio of 32.3%. For FY2024, we plan to offer an interim dividend of 7 yen and a year-end dividend of 23 yen, translating to a total dividend of 30 yen and a dividend payout ratio of 36.6%\*.

The Medium-Term Management Plan strategies also call for enhancing engagement with investors. In this respect, we will continue to actively promote dialogue with all our stakeholders so that shareholders and investors can better understand our strategies, which are designed to improve financial soundness with an awareness of the stock price.

As the newly appointed CFO, I believe in the importance of possessing an accurate understanding of the conditions in

which the Group currently operates so that we can keep one step ahead in the coming era of radical change. I therefore humbly ask for your further guidance and support. Thank you.

### Dividend per Share/Dividend Payout Ratio

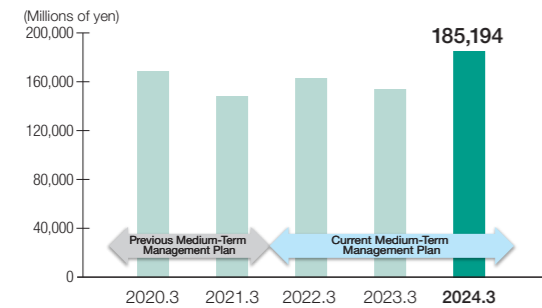


\* Calculated in consideration of the effects of newly issued shares, treasury stock disposals, and stock sales announced on May 20, 2024.



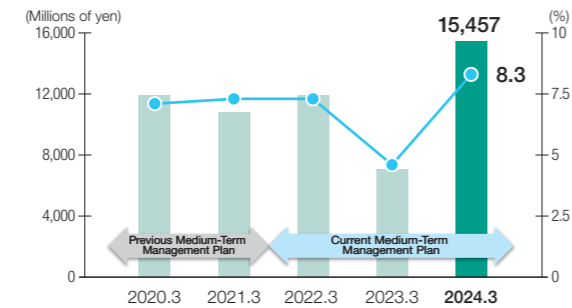
# Financial/Non-Financial Highlights

## Net Sales



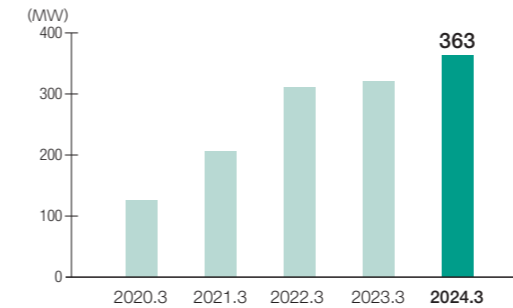
Net sales in FY2023 totaled 185,194 million yen, up 20.7% year on year. Firm performance was largely the result of favorable trends in new built-for-sale condominium selling contributing to net sales in the real estate business improving 17.0% year on year, and the sale of the LS Tottori Daisen power generation facility contributing to net sales in the energy business expanding 53.1% year on year.

## Operating Income and Operating Income Margin



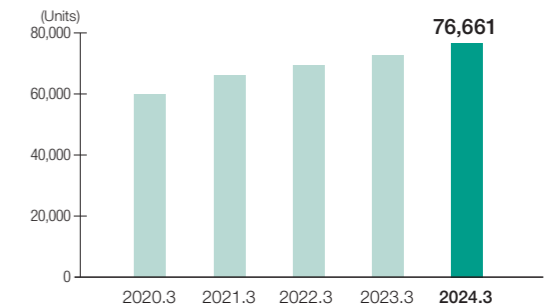
Operating income in FY2023 was up a firm 119.9% year on year to 15,457 million yen, improving on the elimination of costs tied to the Takara Leben Infrastructure Fund TOB and an increase in net sales on the sale of power generation facilities and solid sales of new built-for-sale condominiums. The operating income margin improved 3.7 percentage points year on year, rising to 8.3% from 4.6% in the previous year.

## Current Power Generation Capacity



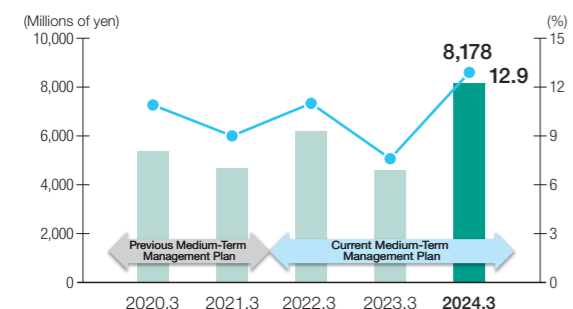
In FY2023, power generation capacity, including the portion sold, was 363MW, up 43MW compared with the previous fiscal year. As a stable stock business, the sale of electricity has continued to contribute to profit since FY2023, and as a key area of growth, we expect to increase power generation capacity moving forward.

## Number of Managed Housing Units



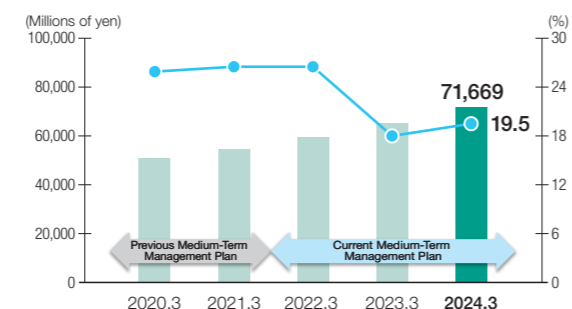
In the real estate management business, the number of units under management is steadily increasing, amounting to 76,661 as of March 31, 2024, an increase of 4,058 units compared with the previous fiscal year. We will continue to actively acquire properties for management, including those managed by other companies, to realize stable revenue as a stock business.

## Net Income Attributable to Owners of Parent and ROE



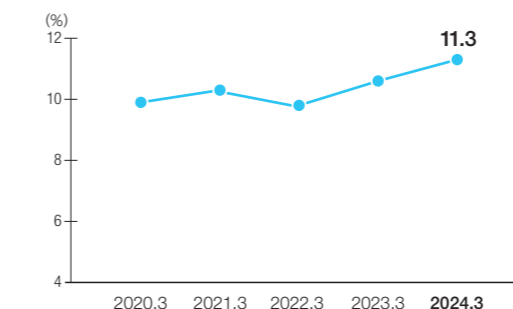
Backed by an increase in net sales and other factors, net income attributable to owners of the parent in FY2023 improved 78.4% year on year to 8,178 million yen. Almost reaching our target of 13% or higher for the same year, ROE was up 5.3 percentage points year on year to 12.9%. Moving forward, we aim to achieve ROE of 13% or higher by strengthening our financial management, lowering SG&A expenses, and bolstering profit margins.

## Net Assets and Equity Ratio



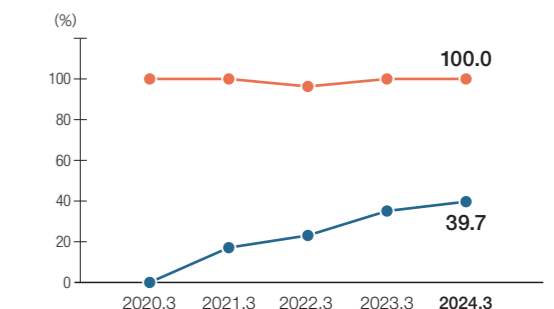
With net income attributable to owners of the parent exceeding dividends from retained earnings, net assets at the end of FY2023 were up 6,526 million yen year on year to 71,669 million yen. While the equity ratio as of the end of FY2022 was temporarily lower due to the effects of the TOB for Takara Leben Infrastructure Fund, it improved 1.5 percentage points year on year to 19.5% as of the end of FY2023 thanks to effective portfolio management in each of the businesses. In line with our goal of achieving an equity ratio of 20% or higher in FY2024, we intend to diversify our financing methods and ensure improved stability in the equity ratio.

## Percentage of Female Managers



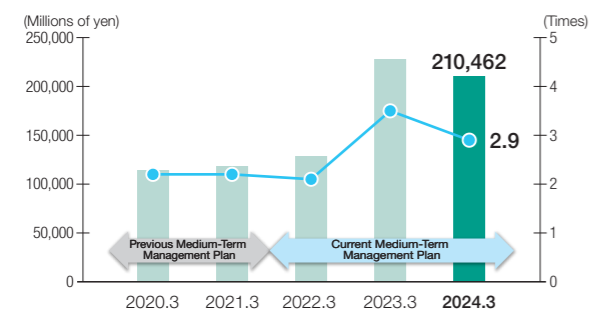
The percentage of female managers was 11.3% in FY2023, an increase of 0.7 percentage points compared with the previous fiscal year and achieving the target of 9.5% for FY2024 ahead of schedule. Considering the promotion of women's empowerment as one of its most important measures, the Group has implemented measures such as the launch of the Women's Activity Promotion Project Team and the introduction of a babysitter subsidy system.

## Percentage of Employees Taking Childcare Leave



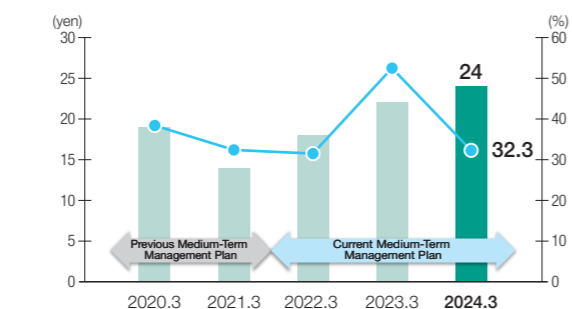
Almost 100% of our female employees take advantage of childcare leave each year. On the other hand, 39.7% of male employees took childcare leave in FY2023, an increase of 4.6 percentage points compared to the previous year. The Group is working toward increasing the percentage of male employees taking advantage of childcare leave to 85% by FY2030.

## Interest-Bearing Debt and D/E Ratio



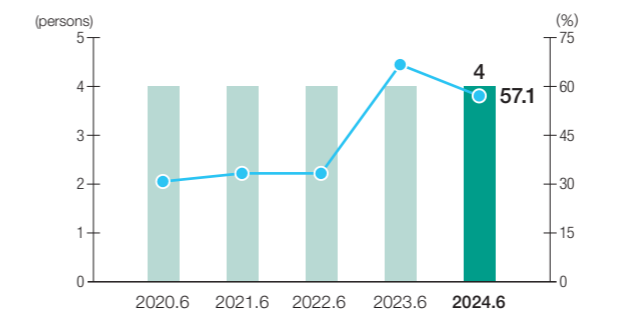
Interest-bearing debt as of the end of FY2023 was 210,462 million, down 16,923 million yen from the end of the previous year on the repayment of short-term borrowings and other factors. Achieving the target of under 3.0 times for FY2024, the D/E ratio as of the end of FY2023 was 2.9 times. We will continue to work towards reducing the D/E ratio and maintaining financial soundness.

## Dividends and Dividend Payout Ratio



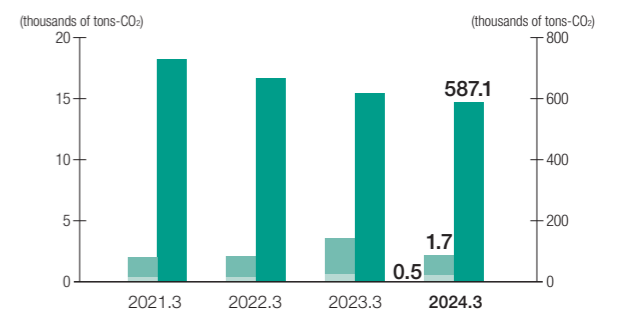
The dividend per share for FY2023 was 24 yen, up 2 yen compared to the previous year. The dividend payout ratio was down 20.2 percentage points year on year to 32.3%. This was due to the fact that in FY2022, net income attributable to the parent declined due to the effects of the TOB, but the dividend ratio in the same year temporarily improved on the addition of a 50th anniversary commemorative dividend of 2 yen being added to the scheduled dividend. The medium-term management plan positions shareholder returns as one of our most important management issues, and we intend to continue providing appropriate returns moving forward.

## Number and Ratio of Outside Directors



All outside directors are designated as independent directors. Outside directors have accounted for one-third or more of all directors in FY2020, and half or more since FY2022.

## Greenhouse Gas (CO<sub>2</sub>) Emissions Volume



Greenhouse gas emissions volume in FY2023 was 589,269t-CO<sub>2</sub>, down 30,640t-CO<sub>2</sub> compared to the previous year. We have set a target to reduce GHG emissions (Scope 1, 2 and 3) due to the business activities of the Group by 45% by FY2030 (compared to FY2022), and a target to reduce these same emissions to net zero by FY2050.

# Strategies by Business Segment

## Real Estate Business



**Shoichi Akisawa**

Takara Leben Co., Ltd.  
Representative Director and  
President Executive Officer

### We will promote our long-term vision, “Be the Takara (treasure) of the Community”

#### Using real estate to resolve local social issues

Our Real Estate Business includes a variety of real estate-related businesses that form the core of our Group, including the new built-for-sale condominium business, the liquidation business, the new detached house business, the used condominium purchase and resale business, and the condominium management business, the rental business, the brokerage and sales agency business, the overseas housing development business. The new built-for-sale condominium business is the first pillar of our Real Estate Business, while the second pillar is the liquidation business, which includes REIT warehousing and real estate revitalization investment operations.

Our established position in outlying areas gives us a competitive advantage in new built-for-sale condominiums. We have been developing the business of condominiums to first-time home buyers in the suburbs of the Tokyo metropolitan area since our founding as Takara Komuten in 1972. However, understanding that this would not be enough to survive in the face of increasing competition, we sought out new opportunities in the more outlying cities. While not easy, we gradually gained the trust of real estate agencies and financial institutions in each area and were able to expand our business to include the provision of condominiums in regions across the country. In addition, with the Condominium Business Headquarters taking on the functions of the rebuilding and redevelopment business, we are discussing redevelopment with local governments and other bodies as a way to resolve local issues such as declining birthrates and dwindling populations.

#### Leveraging our multi-layered local networks to take on a variety of development challenges

Turning to the liquidation business, Takara Leben Real Estate Investment Corporation was listed on the Tokyo Stock Exchange Real Estate Investment Trust (REIT) Securities Market in 2018, and investors appear to have expectations that our Group, as the main sponsor, will be able to facilitate the incorporation of revenue-generating real estate, centered on rental condominiums across Japan, thanks to the development expertise in housing and other areas that we have built up for 50 years. As we take on the challenge of developing our rental office, hotel, commercial building, and logistics warehouse businesses, we are building strengths by effectively leveraging the multi-layered local networks we have carefully cultivated in new built-for-sale condominium business.

FY2024 is the final year in our current four-year Medium-Term Management Plan. With performance remaining within the range of our targets for the first three years, we are aiming for record-high profit in the final year, though there are a few points worth keeping an eye on. The first of these is the limitation on overtime work as part of work style reform legislation that came into effect in April 2024. In the construction industry, worksites are now required to shut down eight days every four weeks, effectively ensuring that sites will be closed two days a week. We intend to work with our partners, through incorporation of DX in pursuit of efficiency, to ensure construction to complete on schedule and with the same level of quality.

The Group's long-term vision is to “Be the Takara (treasure) of the Community,” and to this end we will continue to utilize real estate to revitalize local communities while creating environments where our employees are aware of our initiatives.

### Review of FY2023 and Progress of the Medium-Term Management Plan

For FY2023, the new built-for-sale condominium business recorded sales of 93,474 million yen (up 22.8% from the previous fiscal year), gross profit of 21,003 million yen (up 25.6%), and a gross profit margin of 22.5% (up 0.5 percentage points). It remained the core of the Real Estate Business, accounting for 50.5% of companywide sales and 51.7% of total gross profit.

The new built-for-sale condominiums sold 2,214 units, an increase of 353 units from the previous year, in line with plans. Contracts progressed steadily due to the strengthening of the brand, and the business was able to maintain its profit margin at a high level.

The Company sells units across the country, from Hokkaido to Kyushu, with the Tokyo metropolitan area in the same year accounting for 26% of sales, and the Chubu area and Kinki area accounting for 6% and 2%, respectively. Together, these three metropolitan areas accounted for 34.2% of sales, down 14.6 percentage points from the previous year, with sales in regional cities accounting for a strong percentage of overall sales.

The main customers are dual-income households with members in their early 30s to mid-40s. The average selling price per unit was 42.2 million yen, up 3.2% from the previous fiscal year.



LEBEN KOZURUSHINDEN THE ONE (Miyagi)  
Total Units: 236 units



LEBEN MOMOYAMADAI THE COURT (Osaka)

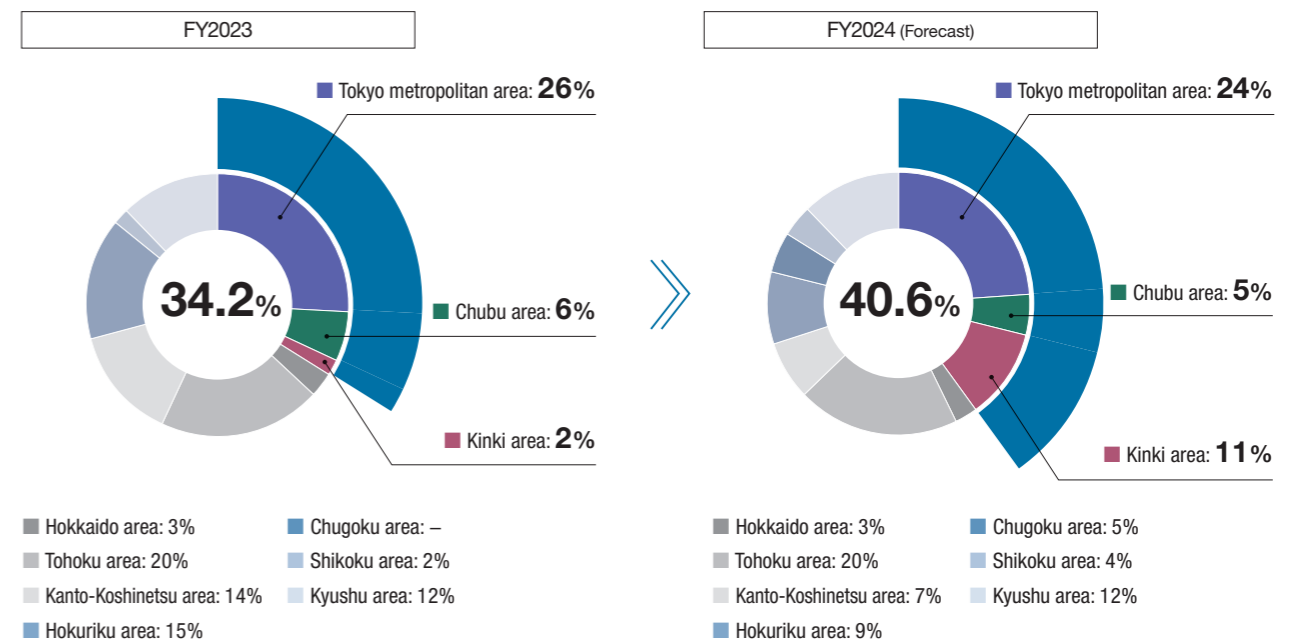
### Future Initiatives

The market for new built-for-sale condominiums shows a decline in the number of units sold, yet the average selling price is trending upward both in the Tokyo metropolitan area and nationwide. As the supply-demand balance remains favorable thanks to factors such as low-interest rate policies and the increase in dual-income households, sales in FY2024 still remain firm with the trend maintaining from the previous year. Out of the 2,200 units to be delivered, 1,353 units, approximately 62%, have already been signed on contracts as of the beginning of the fiscal year. We expect an increase in both sales and profit, sales to rise to 106,000 million yen, with gross profit improving to 22,100 million yen. We estimate the average selling price per unit at 48.2 million yen, up 14.2% from the previous year.

We expect the sales ratio for the three largest metropolitan areas to improve 6.4 percentage points to 40.6%, and with an eye toward this figure rising to 50%, we will continue to purchase land mainly in convenient locations in regional city centers and suburban areas, where our Company holds a competitive advantage. To ensure a stable supply of properties nationwide, we will maintain our current structure while carefully assessing external factors such as extended construction timelines and rising building costs, targeting a steady supply of 2,000–2,200 units each year.

We aim to improve competitiveness and achieve sustainable growth by implementing cost control through an integrated system from land acquisition to sales and leveraging DX to enhance productivity, and by continuing to supply high added-value condominiums in attractive locations.

#### Metropolitan Area Ratio

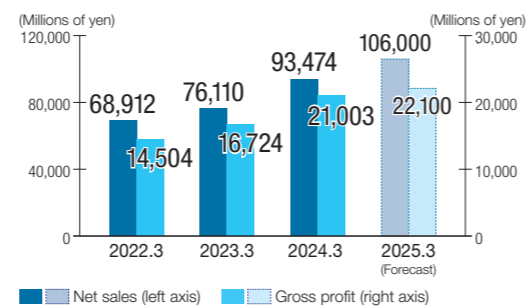


### New built-for-sale condominium

#### Business Overview

The new built-for-sale condominium business is a core business accounting for about half of our consolidated sales. Within the business, the mainstay LEBEN brand focuses on family condominiums for first-time home buyers, featuring mainly 2LDK and 3LDK layouts, with the average floor area per unit of about 70m<sup>2</sup>. In addition, the NEBEL brand offers compact condominiums for single-person and double income no kids (DINKs) households, while the THE LEBEN brand focuses on quality to provide premium condominiums. Through an integrated system covering everything from the acquisition of land to product planning sales and management, we are committed to creating products that put the customer first.

#### Trends in Net Sales and Gross Profit



Strategies by Business Segment » Real Estate Business

Liquidation

Business Overview

This business has become an earnings pillar for the Company second only to the new built-for-sale condominiums business and involves the development of rental housing, office buildings, and hotels, as well as the sale of such to real estate funds and other buyers on a build-ing-by-building basis. Of the properties developed to date, 60%–70% have been sold to Takara Leben Real Estate Investment Corporation, to which we act as a supporter.

Review of FY2023

In line with strict selection in buying and an increase in development projects relative to existing real estate, investment came in at 23.3 billion yen, short of the planned 30.0 billion yen. By type, residences accounted for 59% of investment, with office buildings accounting for 33%, commercial and logistics facilities 6%, and land 2%.

Property sales came to 30,661 million yen, with residences accounting for 60% of sales, offices 19%, hotels 10%, and land 11%. The gross profit margin was 21.6%, which exceeded the initial target and allowed the business to book a stable level of profit. In addition to ongoing favorable market conditions, the profit margin benefitted greatly from new residence development projects.

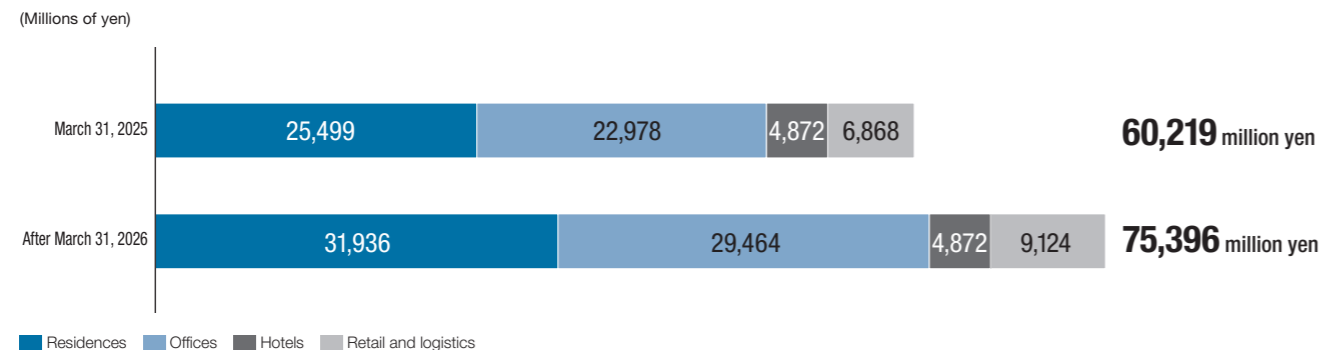
Future Initiatives

At present, we are actively developing new residences for sale to the REIT and note that development projects accounted for about 95% of profit in FY2023. We intend to continue to invest in property acquisition at a pace of about 30 to 50 billion yen annually, and while ensuring careful selection in our investment targets, we intend to accelerate the development of new residences, a key area of strength for the Company. In light of rising construction costs and extended construction periods for development projects, we are also investing in projects aimed at improving the value of existing real estate as near-term delivery projects. We aim to increase the profit ratio for value-add projects to 20% and lower the ratio for development projects to 80% by FY2029.

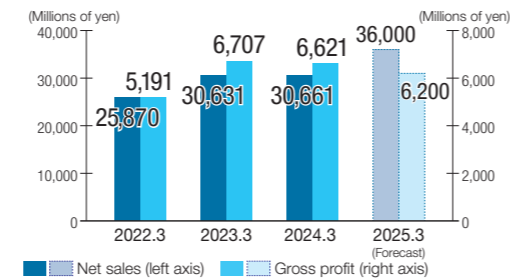
Leveraging synergies with the new built-for-sale condominium business, the liquidation business makes good use of our national networks, and will actively consider taking action if there is an opportunity for it to secure profit on a property with investment of 500 million yen or more. We are continuing to develop this business by actively gathering information from the regional networks we have established.

We estimate FY2024 sales in the business of 36,000 million yen, up 17.4% from the previous year, but forecast gross profit of 6,200 million yen, down 6.4%, and a gross profit margin of 17.2%, down 4.4 percentage points.

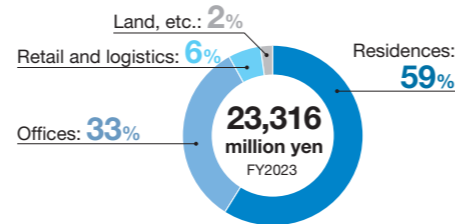
Assumed Asset Value after Completion



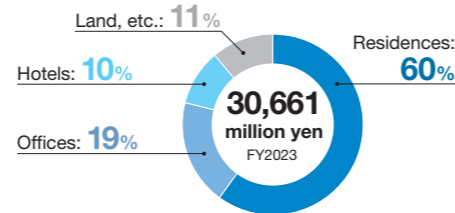
Trends in Net Sales and Gross Profit



Investment Amount



Sales Results



New detached house

Business Overview

Leveraging the expertise acquired in the new built-for-sale condominium business, Leben Home Build, which focuses on building spaces with an emphasis on light, water and air, engages in the development, planning, and sale of detached houses under the LEBEN PLATZ brand. The business focuses on design and quality with the aim of improving the value of the neighborhood and creating homes from the perspective of the resident. We are also expanding the scope of the business to include the development of an effective land-use business that offers effective land-use proposals, carries out design and contracted construction operations, and handles project management and maintenance operations after construction has been completed.

The standard size of each project is ten units or less, with most units in a 4LDK format. The customer base includes first-time home buyers in their 30s and mid-40s.

Review of FY2023

Backed by firm demand for detached houses, sales progressed steadily in FY2023. While falling short of our initial target of 240 units, the business sold 222 units, an increase of 33 units compared to the previous fiscal year. Reaching our initial targets thanks to the curtailing of discounts, gross profit came in at 1,585 million yen and the gross profit margin was 11.8%. The average selling price per unit improved 13.7% compared to the previous fiscal year to 60.4 million yen.



Future Initiatives

We aim to sell 230 units in FY2024, an increase of eight units compared to the previous fiscal year. We target sales of 13,250 million yen, gross profit of 1,550 million yen, and a gross profit margin of 11.7%, all generally flat from the previous fiscal year.

To address the current downward trend, we intend to improve the gross profit margin by reducing costs, including SG&A expenses. In light of rising construction costs and ongoing fierce competition in acquiring land, we do not expect to significantly expand unit sales, and we are following a policy based on maintaining inventory at a level equal to twice the number of units sold each year, focusing on near-term inventory turnover. We target six months from land acquisition to delivery for detached houses and one year for large projects, including those in which competition for sales is intense. Finally, we intend to rebuild our procurement and supply system by strengthening area marketing through the careful selection of purchasing areas based on an assessment of supply and demand conditions.

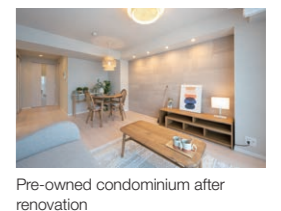
Renewal resale

Business Overview

With a focus on the capital region and three prefectures, we purchase second-hand condominiums that are about 30 years old and have about 60 square meters of floor space, and after the tenants have moved out, increase their value for better selling. Rent accrued prior to the tenant moving out is also considered an important source of revenue. While most sales are of individual units, we will sometimes sell entire buildings under the Lé Art brand.

Review of FY2023

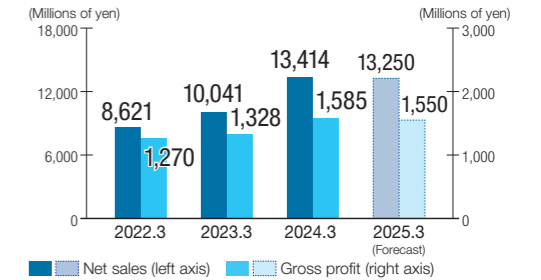
With some bulk deals involving multiple properties sold all at once being delayed to the next year, performance fell short of target, with sales at 7,875 million yen, gross profit at 1,041 million yen, and 202 units sold. As with new built-for-sale condominiums, prices on previously owned homes also increased, with the gross profit margin of 13.2% accordingly topping the initial forecast of 11.8%.



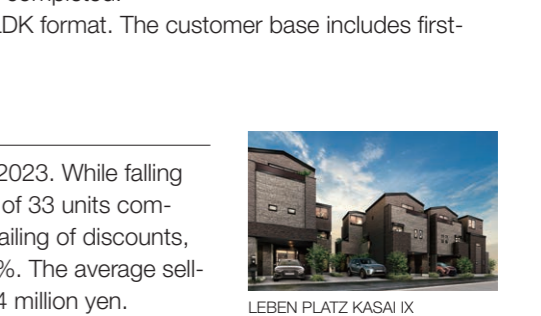
Future Initiatives

With the goal of bolstering our ability to capture potential demand for pre-owned condominiums and ensuring a stable cycle in the business, we are forming a dedicated purchasing team and actively developing a business in which we purchase individual buildings and then sell them under the Lé Art brand.

Trends in Net Sales and Gross Profit



Trends in Net Sales and Gross Profit



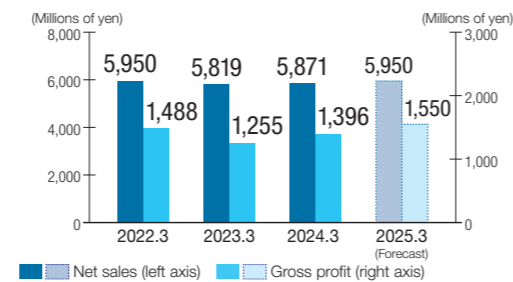
Strategies by Business Segment » Real Estate Business

Real estate rental

Business Overview

Around 90% of the properties we own are considered inventory for the liquidation and renewal resale businesses, and the rent generated from these properties is this business' main source of income. On the other hand, the remaining 10% are considered long-term holdings. The business uses the networks built up in regional areas through the new built-for-sale condominium business to acquire rental properties, including residences and offices, across the country, thereby allowing it to ensure a stable level of earnings. Operations related to acquiring tenants for owned properties are handled mainly by group company Leben Trust.

Trends in Net Sales and Gross Profit



Review of FY2023

The real estate rental business generates stable revenue as a stock and fee-based business, and while performance fell short of initial targets, sales improved 0.9% over the previous fiscal year to 5,871 million yen while the gross profit margin improved 2.2 percentage points to 23.8%.



LUXENA TOYOCHO

Future Initiatives

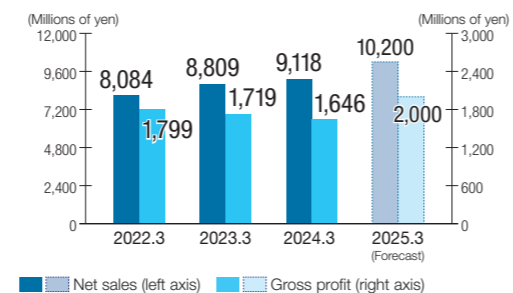
We intend to steadily build up earnings as a stock and fee-based business while maintaining a yield on holdings of at least 5.5%. We will continue to build a portfolio centered on residential and office properties. In FY2024, we target sales rising to 5,950 million yen and the gross profit margin improving to 26.1%.

Real estate management

Business Overview

The real estate management business mainly manages condominiums, including not only those of the MIRARTH HOLDINGS Group, but also those of other companies. Operations are managed by Group company Leben Community.

Trends in Net Sales and Gross Profit



Review of FY2023

The gross profit margin declined slightly amid a rise in personnel costs. Falling short of the initial targets, the number of managed units was 76,661, sales were 9,118 million yen, and the gross profit margin was 18.1%.

Future Initiatives

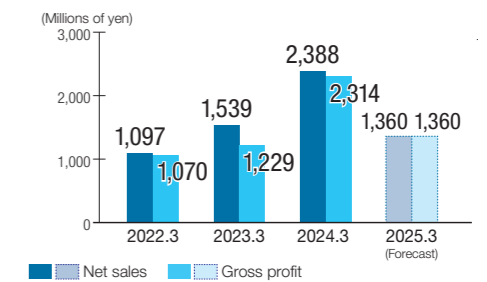
We expect personnel costs to continue rising and will work to improve profitability by reducing costs and reviewing administrative expenses. Management association negotiations are proceeding smoothly and we will continue to negotiate for price increases as contract expiration dates for each property near. In terms of managing other companies' properties, where profitability can be hard to achieve, we will only agree to do so after a careful screening of those properties. We target the number of managed units increasing by 3,339 from the previous fiscal year to 80,000 in FY2024, with sales reaching 10,200 million yen and the gross profit margin at 19.6%.

Real estate other

Business Overview

This business acts as an intermediary between customers buying and selling properties. We are strengthening our real estate distribution business by leveraging a wide range of resources, including the properties for sale supplied by the Group, as well as managed properties and rental properties.

Trends in Net Sales and Gross Profit



Review of FY2023

Sharply exceeding our initial targets, sales improved 55.2% from the previous fiscal year to 2,388 million yen and the gross profit margin was up 17.1 percentage points to 96.9%.

Future Initiatives

In addition to developing over-the-counter business mainly in supply areas of LEBEN properties, by reinforcing the intermediating functions for firms, we will build earnings from the stock and fee-based business. In FY2024, we look for sales to decline 43.1% from the previous fiscal year to 1,360 million yen, but target the gross profit margin improving 3.1 percentage points to 100.0%.

Development of the Overseas Business

Our long-term vision, to "Be the Takara (treasure) of the Community," is not limited to Japan, but is key to the development of our overseas business. Collaboration with local companies is essential to our international business, which we will continue to grow as we share this vision.

The Philippines SAVANA SOUTH

We launched a detached house development project in San Pablo City, Laguna Province, which is located about 80km southeast of Manila, the capital of the Philippines, in January 2024. The neighborhood is a bedroom community largely housing people who work in the Manila metropolitan area and the industrial parks in the surrounding suburbs. This is the first project in the Philippines for Takara Leben. The development area is about 6.5 hectares, with a total of 657 units, including 132 duplex units and 525 townhouse units. Targeting the creation of a community within the new neighborhood, the project includes shared facilities such as a clubhouse, swimming pool, and chapel. Our goal is to provide high-quality housing at affordable prices to the young people that will drive the Philippine economy in the future.



Detached house in San Pablo, Republic of the Philippines

Vietnam THE MINATO RESIDENCE

THE MINATO RESIDENCE is a large-scale condominium in the port city of Haiphong, which has the third largest population in Vietnam. It is the first project in Vietnam to be developed, built and managed exclusively by Japanese companies, with Takara Leben and Fujita Corporation in charge of development and construction, and Leben Community Vietnam in charge of management. Sales commenced in 2019, with construction of the North Building, the second of the two buildings, completed in February 2024.

Thailand ATMOZ BANGNA, Kave Seed Kaset, Atmoz Flow Minburi, and Modiz Vault Kaset Sripatum

We have been working with ASSETWISE in Bangkok, Thailand on the development of new condominiums, including the ATMOZ BANGNA, Kave Seed Kaset and Atmoz Flow Minburi projects, and in 2024 we participated in the development of Modiz Vault Kaset Sripatum, our fourth project. This last project features new built-for-sale condominiums in the Lat Yao area of the Chatuchak District, about 9km northeast of central Bangkok. The property has a site area of 8,592 square meters, two reinforced concrete structures with 21 and 7 floors respectively, and a total of 798 units (including 11 commercial units). It is located in the same area as the Kave Seed Kaset project and adjacent to Kasetsart University, providing an easy commute to the campus. It is attracting attention not only from students, but from a wide range of potential buyers based on the convenience it offers and the educational environment in which it is placed.



Kave Seed Kaset



Atmoz Flow Minburi

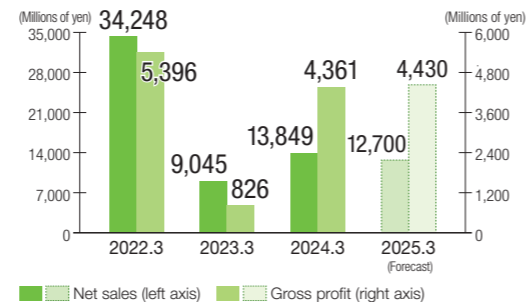
Strategies by Business Segment

# Energy Business

## Business Overview

Centered on MIRARTH Energy Solutions, we engage in operations that sell electricity generated from renewable energy sources to utilities as a source of stable income, as well as play a role in contributing to society by generating renewable energy that leads to greater power supply stability. We are working to build a business model that is not dependent on the Feed-in Tariff (FIT) system while engaging in renewable energy sources such as solar, wind, biomass power generation, and biomass fuel conversion projects using cashew nut shells. We will contribute to a sustainable future by diversifying our business portfolio.

Trends in Net Sales and Gross Profit



**Kentaro Taniguchi**  
President and Representative Director  
MIRARTH Energy Solutions Inc.

### Aiming for Sustainable Growth by Focusing On the Non-FIT Business

#### Second Business Pillar That Contributes to Stable Earnings

The MIRARTH HOLDINGS Group engages in the Energy Business led by solar energy in order to achieve sustainable growth and create a second business pillar. Pursuing this business, Leben Clean Energy changed its name to MIRARTH Energy Solutions in April 2024 to increase its visibility as a member of the MIRARTH HOLDINGS Group. We pursue the MIRARTH HOLDINGS Group's Purpose "to design sustainable environments for a happier future for both people and our planet" and MIRARTH Energy Solutions' management philosophy to "contribute to a diverse and sustainable future with wisdom and technology, in appreciation of nature's bounty."

The Medium-Term Management Plan (FY2021-FY2024) reached its third term in FY2023. Until FY2022, the Group developed solar power plants and sold them to Takara Leben Infrastructure Fund. After conducting a TOB, however, the Group has pivoted to a stock business that owns power plants. We are on track to achieving the goal of generating stable earnings.

#### Solving Social Issues Through New Renewable Energy

To date, solar power has been the main source of renewable energy, but Japan's land area makes it difficult to expand this going forward. Nevertheless, we are working to expand this business as a supplier of such renewable energy in light of companies aiming to achieve RE100: business operations run with 100% renewable energy.

In May 2023, we announced our roadmap to FY2029 (see the next page). Aiming to accumulate 420MW, we focused on a biomass power generation project that utilizes cashew nut shells, which has been certified under Japan's FIT system, and a cultivation area which is being expanded in Cambodia as part of the national policy (P. 40). We intend to increase the size of the processing plant and install a power plant within five years.

We realize that we still lack the technology and human resources for biomass and wind power generation currently, understanding that building up technologies, human resources, and expertise is a major challenge.

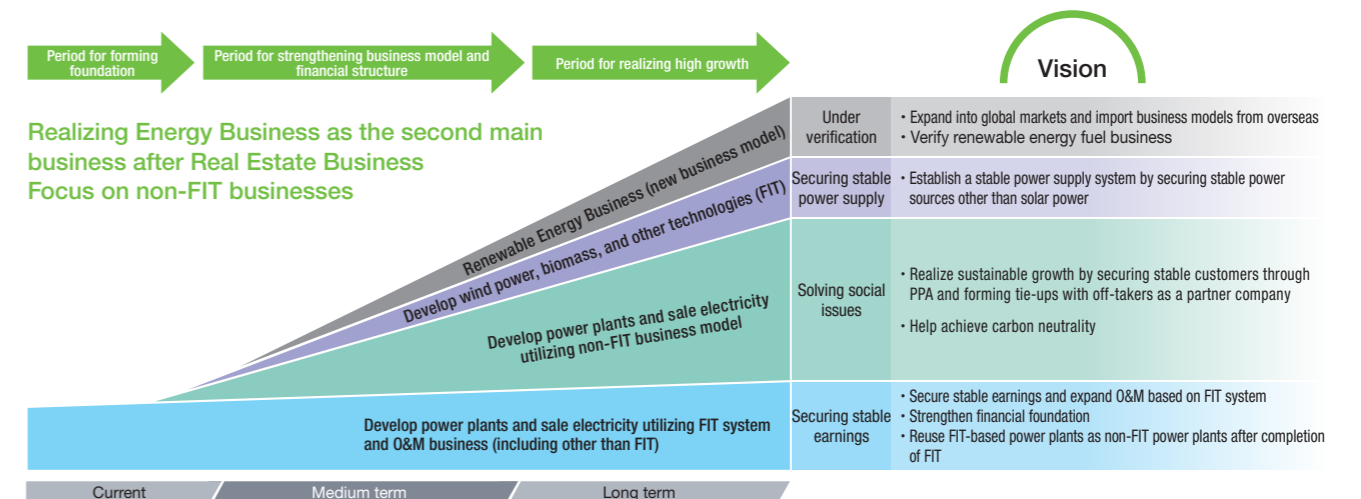
I have always wanted to make the people around me happy. For example, there are mountain forests throughout Japan that are in a state of neglect. Trees stop absorbing CO<sub>2</sub> after 40 years, so such trees must be removed and replaced with new ones. I therefore see potential for MIRARTH Energy Solutions to provide a stable supply of electricity through local production for local consumption by managing forests and generating electricity using wood chips from a nearby chip factory. While not factored into our business plans, I think such an endeavor encapsulates the "future environment design company" concept promoted by the Group. Looking ahead, we will grow as an environmental design company.

## The Group's Strengths and Business Model Strategy for the Energy Business

MIRARTH HOLDINGS has been actively developing FIT-compliant solar power plants since 2013 but is now converting to non-FIT facilities as the FIT buyback period that began in 2012 will be phased out. The strength of our business model lies in the Power Purchase Agreement (PPA). Under FIT, utilities purchase electricity at a fixed price, whereas PPA allows companies and other users to enter into electricity purchase contracts. Although it is necessary to go mainly through retailers, PPA has the advantage of setting prices based on direct negotiations with users. On-site PPA involves installing solar power equipment on user premises, while off-site PPA involves installing such equipment off-site and sent through standard electrical power grids.

However, signing purchase contracts and developing power plants for each user would slow down the process. In our off-site PPA, we have therefore secured off-takers in each electric power service area who will purchase electricity from us if we develop it, thus building a foundation for business development without slowing down the development process. We have already signed contracts mainly with a major trading company and utilities for off-takers.

### Growth Roadmap in Energy Business



## Review of FY2023 and Progress of the Medium-Term Management Plan

In FY2023, we sold operating power generation facilities as planned. For electricity sales, the initial plan was not achieved due to some output curbs, unfavorable weather, and maintenance costs, yet net sales rose 53.1% year on year to 13,849 million yen. Electricity sales will contribute to profit throughout the year as a stable stock business starting in FY2024.

MIRARTH HOLDINGS is evolving its business portfolio and is looking for the Energy Business to account for 30% of total operating income by FY2029 compared with 13% in FY2023. At the same time, our target for the Energy Business's percentage of EBITDA in FY2029 is 45%, compared with 32% in FY2023, which solid progress of 10% in FY2022.

In the Energy Business growth roadmap announced in May 2023 through to FY2029, we position "power plant development/electricity sales utilizing the FIT system and O&M business" as a stable source of revenue, and expect further growth by diversifying power generation sources such as non-FIT power development/sale (growth area), wind power, and biomass power. As a new business model, we are also considering development across a wide range of Energy Businesses, including the production of biofuels and storage battery usage aimed at global expansion. In 2024, we launched a project in Cambodia to convert cashew nut shells into biomass fuel, while in Japan we are developing a biomass power plant using wood chips in Nobeoka City, Miyazaki Prefecture.

In the Medium-Term Management Plan we set a target of 360 MW as a cumulative generation capacity by FY2024; however, we have already achieved 360 MW through our existing and new installations. As a new goal, we aim to accumulate 420 MW (equivalent to solar power) by FY2029. As of the end of March 2024, we have a pipeline of approximately 56 MW, consisting of 36 MW of solar equivalent for PPA projects, 8 MW of wind, and 12 MW of biomass. We will undertake aggressive development measures to achieve the 420 MW target.

TOPICS

**Aim to Realize a Circular Economy Through the Cashew Nuts Fuel Business and to Fulfill Our Purpose**

In February 2024, the MIRARTH HOLDINGS Group, together with Top Planning Japan Co., Ltd. and Fukuyama Consultants Co., Ltd., established the new companies MIRARTH Green Tech (domestic corporation) and MIRARTH Agri Tech (Cambodia local corporation; MIRARTH Green Tech 100% stake), and operations have begun to convert Cambodian-grown cashew nut shells into biomass fuel.

**Contributions to Cambodia**

Cashews are used as nuts, oil, and residue (shells), and cashew shells have an energy potential similar to coal. Cashew oil is efficient since it is used solely as fuel for power generation, unlike palm oil, which is also used as cooking oil. In April 2023, cashew oil received FIT certification by Japan's Agency for Natural Resources and Energy and, in turn, is attracting attention as the next energy source. MIRARTH HOLDINGS decided to participate in this project in Cambodia because Top Planning Japan built a processing plant as part of a Japan International Cooperation Agency (JICA) assistance project. The decision was also consistent with Cambodia's efforts to expand its cashew nut cultivation area as a national policy.

We have signed a Memorandum of Understanding (MOU) with two Cambodian ministries to commercialize the project and will work to create local jobs and procure biofuels, thereby contributing not only to Japan but also to Cambodia.

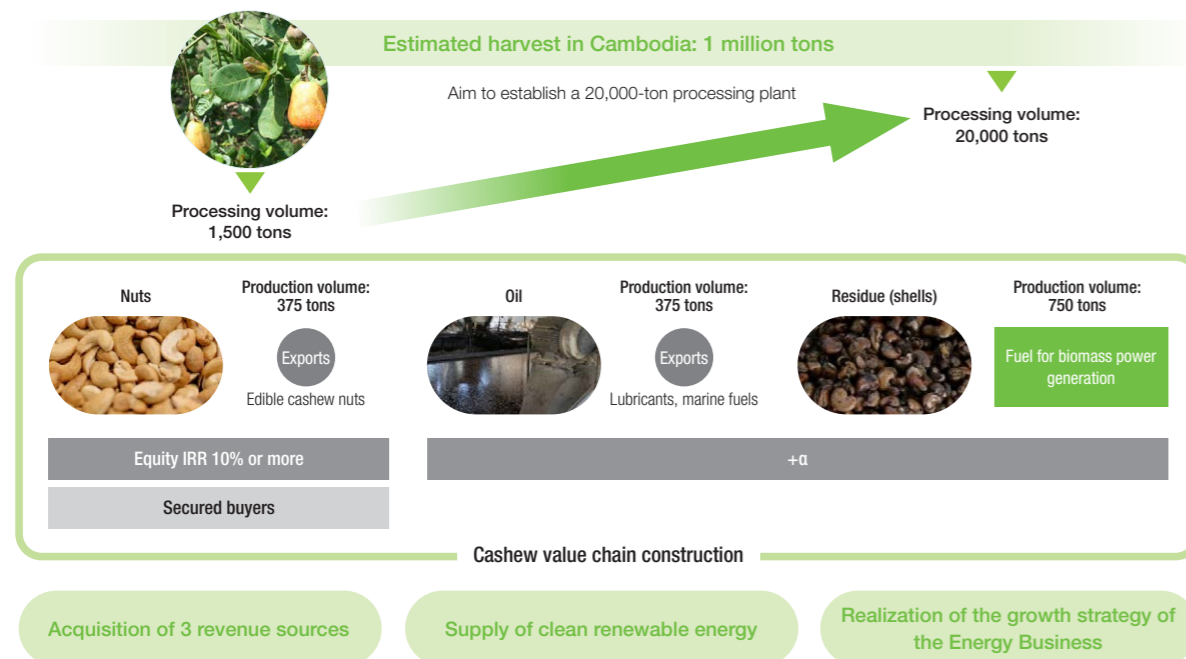
**Growth Strategy Based on Cashew Nut Fuel**

In cashew nuts, the ratio of nuts to oil to shells is 1:1:2, which means that our 1,500-ton plant can secure 375 tons of nuts, 375 tons of oil, and 750 tons of shells. These three revenue sources are a feature of the cashew fuel business, with most of the investment expected to be recouped through the sale of the nuts. These earnings are expected to grow if oil and shells are distributed as fuel. We believe that this business embodies the Group's intended Purpose, as oil can be extracted from shells that would normally go unused for use as biomass fuel.

Cambodia harvests an estimated 1 million tons\* of cashew nuts annually. We plan to expand factory capacity to handle 20,000 tons of cashews and build a large power plant. Acquiring three revenue sources, we aim to realize a circular economy by supplying clean renewable energy and pursuing a growth strategy for the Energy Business.

\*JICA Food and Agriculture Collaboration Platform (JIPFA) from March 16, 2023

**Cashew Nut Fuel Business Model**



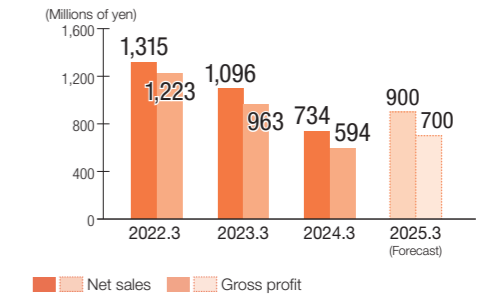
**Asset Management Business**



**Business Overview**

Utilizing the wealth of expertise, knowledge, and networks in real estate and renewable energy accumulated by the MIRARTH HOLDINGS Group, we actively manage J-REITs and private funds, providing a wide range of investors with quality investment opportunities and solid asset management services. We provide a wide range of investors with excellent investment opportunities and solid asset management services. These Asset Management Business are carried out by MIRARTH Asset Management, and MIRARTH Real Estate Advisory.

**Trends in Net Sales and Gross Profit**



**Takehiko Kusajima**  
President and Representative Director  
MIRARTH Asset Management Inc.

**We aim to realize a decarbonized society and maximize benefits for investors by cultivating new financial asset opportunities.**

MIRARTH Asset Management was founded in October 2013 for the purpose of managing the assets of funds involved in renewable energy-based power generation projects. The company is composed of the Asset Solution Division, which primarily handles this area, and the Private Fund Division, which manages private funds that invest in office buildings, rental housing, and other properties. Having been involved in the Private Fund Division since its establishment, I was appointed as the company's president in June 2024.

Several of our competitive advantages include our expertise as the first listed infrastructure investment corporation in Japan, and our strong connections with overseas investors. These connections are the result of having accumulated assets under management, namely income-generating properties acquired in Japan, using funding procured from overseas investors. Another strength of the company is our numerous employees with experience beyond asset management, for example in real estate transactions and as real estate intermediaries, which allows us to make a commitment to and provide support for investors from the initial investment stage until profits are secured in an integrated manner.

Although we were a late-comer to the Asset Management Business, we have built a stronger company that, under the vision of "cultivating new financial asset opportunities," is helping to realize a decarbonized society through the formation of products using SDGs and ESG finance, and that maximizes benefits for our investors.



**Shinya Ito**  
Director  
MIRARTH Real Estate Advisory Inc.

**We will expand the scale of our assets by leveraging the strengths of the MIRARTH HOLDINGS Group in order to develop into a REIT that remains the preferred choice of investors.**

Under contract, we manage the assets of Takara Leben Real Estate Investment Corporation, a comprehensive REIT that primarily invests in housing, but also in offices, retail facilities, and other properties. Among the various types of REITs, the investment policy of this Corporation is founded on a comprehensive portfolio that is focused on residences. In this way, it serves as a unique strength for the Group in that it consistently receives high-quality properties from MIRARTH HOLDINGS as the sponsor, to which we then apply our unique sourcing capabilities for a high capacity for growth.

Although J-REIT got its start by listing two issues as far back as 2001, our REIT was a late-comer, only being listed in 2018. This presents a challenge in that it still has a small market capitalization. Accordingly, we will construct a management structure by expanding its scale and acquiring talented people according to the scale as a means of developing it into a REIT in which investors can invest with greater peace of mind.

ESG and sustainability have also come to assume an important position on the REIT market. In addition to the environmental performance of real estate targeted for investment, we must therefore also focus our efforts on governance. And we intend to actively commit to this effort by better leveraging the strengths of the Group going forward.

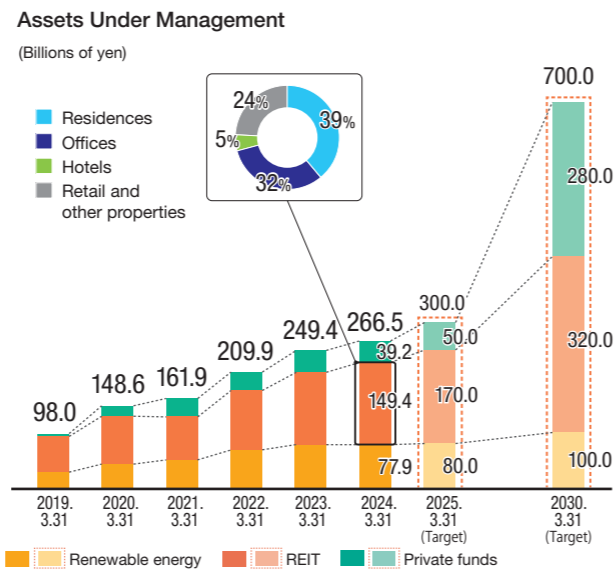
Strategies by Business Segment » Asset Management Business

Review of FY2023 and Progress of the Medium-Term Management Plan

In order to transition to a stable stock-type business that earns electricity sales revenue through the ownership of power generation facilities, the Group executed a TOB of Takara Leben Infrastructure Fund, Inc., which we then delisted and consolidated into the Group. This move resulted in management fees being offset by consolidation, leading to a decline in business revenue compared with previous years. In FY2023, net sales came in at 734 million yen, falling below the target level due to delays in private fund formation.

Meanwhile, Takara Leben Real Estate Investment Corporation managed 149.4 billion yen in assets as of March 2024 compared with the planned total of 170 billion yen for March 2025. With a stable supply of properties from the sponsor, the Fund is making steady progress by acquiring real estate in a way that leverages the benefits of a comprehensive REIT.

On an acquisition price basis for other areas, renewable energy stood at 77.9 billion yen and private funds reached 39.2 billion yen, making for a total of 266.5 billion yen in assets under management.



Future Strategy

The Group plans to accumulate assets for each fund. With an outlook for rising acquisition fees and management fees accompanying asset accumulation, we project net sales will increase year on year by 22.5%, to 900 million yen. Japan continues to experience low interest rates, however, which has expanded an already large yield gap between real estate returns and procurement interest rates. Yet this situation will provide a strong tailwind in that it appears attractive to overseas investors. In terms of the REIT, we will appropriately control costs and accumulate assets. At the end of FY2024, the final fiscal year of the Medium-Term Management Plan, we plan to hold a total of 300 billion yen in assets under management, which we feel is an attainable figure.

Going forward, we intend to expand the Asset Management Business in aims of 700 billion yen in assets under management by FY2029 as our medium- to long-term target. We will also continue to extend the liquidation business and expand the scale of our assets as we contribute to the growth of the Group's stock and fee business.

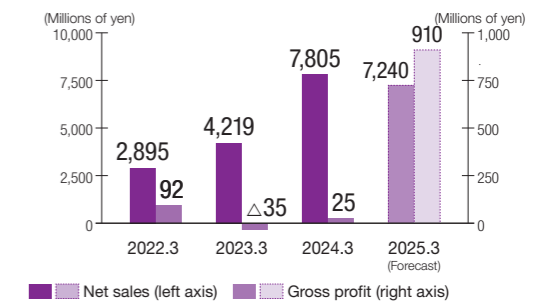
Other Businesses



Business Overview

The MIRARTH HOLDINGS Group is actively engaged in a wide range of business activities related to people's housing needs. The Group is also involved in the hotel business, through which we are developing the "HOTEL THE LEBEN" hotel brand under the brand vision of "Relaxation in everyday life, travel expands." Similarly, the Group is engaged in the construction subcontracting business, carried out by Leben Home Build in a way that considers thorough health and safety management, and reductions to environmental impacts.

Trends in Net Sales and Gross Profit



Review of FY2023 and Future Strategy

Due in part to ongoing high occupancy rates at hotels, net sales increased year on year by 85%, to 7,805 million yen, yet still failed to achieve the initial target. In FY2024, however, we plan to achieve a gross profit margin of 12.6% for hotel management given the outlook for continued high occupancy rates and high daily room rates. In December 2023, Takara Leben announced it would develop and operate a new hotel called "Fun&Cool Hotel KAGOSHIMA Airport" (tentative name) slated for opening at the end of 2026 on the site of the "Kagoshima Airport Hotel," which was located adjacent to the Kagoshima Airport and ceased operations at the end of March 2024 (P. 55 Creating Value Together with Customers and Local Communities: Regional Revitalization).

Over the medium- to long-term, in addition to abundant inbound needs, we will increasingly focus on the development of original hotel brands that can also accommodate domestic demand, and will expand stock revenue from the hotel business through operational management and rental system schemes. Moreover, we aim to operate 2,000 guest rooms by FY2029 in an effort that will potentially include M&As. In addition, we will consider expanding the stock business scale through non-asset business schemes in order to establish the hotel business as an independent segment.



Conceptual image of "Fun & Cool Hotel KAGOSHIMA Airport" (tentative name)

Column

Issuing a Public Stock Offering to Acquire Seven Properties, including a MIRARTH HOLDINGS GROUP High-Grade Rental Condominium

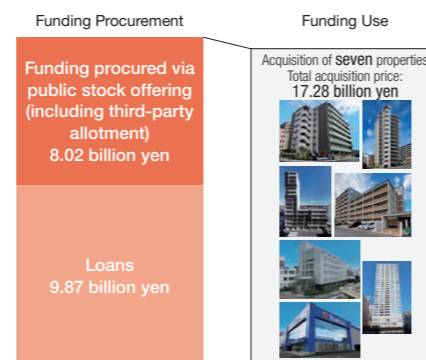
Takara Leben Real Estate Investment Corporation issued its fifth public stock offering in March 2024. The total amount issued through the general solicitation was 7.65 billion yen, while the amount of third-party allotment was 0.37 billion yen. Using the 8.02 billion yen in total capital raised through the public offering together with 9.87 billion yen in loans, the Fund acquired four residential properties worth 8.53 billion yen in total, including the high-grade rental condominium LUXENA TOYOCHO (Koto-ku, Tokyo: 4.14 billion yen) developed by MIRARTH HOLDINGS, two office properties worth 4.03 billion yen, and one retail facility worth 4.71 billion yen, adding up to 17.28 billion yen in acquired properties.

These acquisitions increased the ratio of assets accounted for by residences. By asset type, residences accounted for 9.4% and offices accounted for 80.6% of the portfolio at the time of listing in 2018. Today, these currently stand at 38.8% and 32.5%, respectively, with residences having risen by 29.4 percentage points. The average age of residences is now 9.6 years, thereby further enhancing the stability of the portfolio's cash flow.

Moreover, sponsor support by the MIRARTH HOLDINGS Group and independent sourcing by Takara Leben Real Estate Investment Corporation have expanded the asset scale (on an acquisition price basis) from 64.3 billion yen at the time of listing to 149.4 billion yen today, making for a more stable portfolio.

The Fund has also updated its management guidelines so that residences will account for at least 35% and the largest share of investments, with the intent of establishing a comprehensive REIT that is focused on housing. Similarly, the updated guidelines aim to achieve a scale of assets under management of 320 billion yen by FY2029 through a stronger commitment by MIRARTH HOLDINGS.

Uses of Procured Funding



Acquired four residential properties, including LUXENA TOYOCHO developed by the sponsor, two office properties, and one retail facility

Column

"nasu mukunone" Obtains MICHELIN 2024 Status

Takara Leben opened "nasu mukunone" on April 1, 2024, in Nasu-machi, Nasu-gun, Tochigi prefecture. Under the concept of "Relax and unwind in this living and breathing forest," guests can lodge amid the auberge's vast natural setting of more than 35,000 square meters in Nasu, where they can enjoy French cuisine that incorporates seasonal ingredients and local flavors.

The premises include a water garden and restaurant along with 15 guest rooms, each its own free-standing villa suite of more than 80 square meters in area. The semi-open-air baths in each guest room use natural spring water pumped from underground water veins using the strictest of quality management systems. In July, the hotel also opened a bed and breakfast wing next to the water garden that allows for a more casual experience through a one-night stay that includes breakfast. Made using the freshest ingredients from Nasu, breakfast is served in a picnic basket style.

Moreover, "nasu mukunone" obtained "MICHELIN2024" status, which is only granted to hotels that provide unique lodging experiences, under the MICHELIN Key\* program. "nasu mukunone" was chosen for this honor in recognition of its surroundings as a destination with a unique personality and attractiveness, and as a hotel that provides an unconventional experience that cannot be found anywhere else.

Through the hotel business, we will continue to help revitalize communities and contribute to regional creation as we aim to achieve our corporate vision of "THINK HAPPINESS AND MAKE THE HAPPINESS."



\* First announced in the MICHELIN Guide issued in April 2024, the MICHELIN Key is a new symbol used to indicate that a hotel is one of the best in the world.

# Human Resources Strategy for Supporting Sustainable Growth

## We train personnel to realize the Company's Purpose by enhancing training programs and strengthening communication.



### Go Yamaji

Group CRO and Executive Officer  
General Manager of Group Human Resources Strategy Department

The MIRARTH HOLDINGS Group believes that to realize its Purpose, it is essential to develop personnel who each have a clear vision and can take on challenges independently. As its businesses become diversified and long-standing, the Group will promote the image of a "team leader" who can achieve results in all situations as the figure all employees should aspire to.

In order to develop the next generation of leaders, we conduct training for each rank as well as selective training for junior and mid-career employees such as G3 (non-managerial, leadership level) training. We encourage our employees to develop the ability to think and act for themselves, as well as foster a sense of participation in management from an early stage. These efforts have prompted training participants to voluntarily establish a project team called MIRARTH INNOVATION LABO (Mirai Labo). We aim to create an environment in which young employees can work with a sense of fulfillment. To that end, we actively engage in such activities as cross-departmental study meetings and formulate new employee training curricula in cooperation with the Human Resources Department. For recruitment, we are working to convey the attractiveness of the Group through internships to minimize perception gaps after people are hired.

Among our efforts to promote employee well-being throughout the Company, we conducted a Group-wide survey on well-being in FY2023 that indicated a generally high level of well-being but also identified a slight tendency toward overwork. To address this, we recognize the importance of increasing productivity through DX and

strengthening the overall management skills of managers related to business and human resources. It's important not only to reduce workload and change work styles, but also to foster a sense of motivation by showing how individual work creates a purpose and contributes to society.

We focus on improving engagement through companywide events and will focus on creating environments where each employee can experience growth.

Materiality	KPI (Targets for FY2024)
<ul style="list-style-type: none"> <li>Ensuring the health and safety of employees</li> <li>Promoting Diversity Equity &amp; Inclusion (DE&amp;I)</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of employees receiving stress check <b>100%*<!--1</b--></b></li> <li>Percentage of employees taking paid leaves <b>70%*2</b></li> <li>Percentage of male employees taking childcare leave <b>85%*3</b></li> <li>Special patrols (safety checks) at construction sites <b>4 times a year</b></li> <li>Employment rate of persons with disabilities <b>2.5%</b></li> <li>Percentage of female managers <b>20%*3</b></li> <li>Percentage of females hired <b>30%</b></li> </ul>

\*1 Only calculated companies that conducted stress checks  
\*2 Calculated companies that uniformly grant annual paid leaves  
\*3 Set as a mid-term target until FY2030

## Personnel Development

We intend to help each employee create a career design and grow and, in turn, improve the overall organizational strength of the Group. To that end, the Group is enhancing its training programs led by training for new employees and support for acquiring the Real Estate Notary qualification. In addition, we understand the importance of developing digital human resources and therefore are working to implement personnel exchanges and DX internships.

### Real Estate Notary Qualification

Takara Leben has been working to encourage employees to obtain the Real Estate Notary qualification, requiring them to submit a study plan, providing information on teaching materials, and conducting practice tests. Takara Leben Realnet also provides support for acquiring this certification by distributing a set of test questions once a week.

### MIRARTH INNOVATION LABO (Mirai Labo)

MIRARTH INNOVATION LABO (Mirai Labo) was established by participants of the hierarchical selection training program for Takara Leben G3 (non-managerial and leader level positions). In order to sustain MIRARTH HOLDINGS over the coming century, we must "develop young employees," "promote

cross-functional involvement across divisions," and "create an environment in which employees want to continue working." Accordingly, we are formulating educational programs, conducting study meetings, and actively encouraging employees to take annual paid leave. We aim to create an environment in which new graduate employees can work with a clear goal image and a sense of fulfillment after three years, foster a culture of departmental understanding and cross-functional communication, and promote the use of annual paid leave.



Study meeting

## Digital Human Resources Training Personnel Exchanges

We are building a digital human resources development platform by leveraging the knowledge and technology of Softbank Corporation, which provides innovative initiatives for digital human resource development. We are also conducting personnel exchanges between the Group and Softbank. Through these efforts, we will establish a digital human resource development platform that includes training (e-learning) systems and management/follow-up systems to gauge employee understanding levels and embed ways to use cutting-edge technologies.

## Well-being Initiatives

We believe that increasing the level of employee happiness is important for improving corporate value. With this in mind, we conduct employee happiness surveys Group-wide and pursue initiatives that address employee feedback in order to realize better workplace environments.

### Surveys on Employee Happiness

We conducted an employee happiness survey to measure and quantify employee happiness for the first time at Takara Leben in FY2022 and expanded this to cover all Group companies in FY2023. We examined future measures and established KPIs by grasping and analyzing the level of employee happiness and which items are sufficient or insufficient. We will continue to conduct employee happiness surveys, promote strategic human resources and optimal allocation of personnel to enhance employee happiness, and we will redouble our efforts to build systems with the shift to a holding company.

### Strengthen Communication with Employees Hold Group events

The Group held Kick Off Forum 2023 in April 2023, during which we shared the Purpose and each Group company's vision. We also presented the award for Personal Innovation Challenge Pic 2022 (a new business proposal system for Group company employees), gave out commendations for longtime employees, and introduced new employees.

In addition, we hold events that bring all Group employees together, such as the MIRARTH HOLDINGS New Year Party 2024, which was held for the first time in four years. Through these events, we are working to deepen communication with employees and foster a sense of unity within the Group as we raise awareness of the Purpose and Vision.

Leben Home Build held a rally with all employees to promote employee relationships and communication across departments. After the president explained the management policy, internal awards were presented and



MIRARTH HOLDINGS New Year Party 2024

## Implementation of DX Internship

The Company accepts long-term internships to verify the requirements for recruiting new graduates who will promote DX and to make universities and engineering technical colleges aware of its initiatives. In FY2023, we invited three students from the engineering school Kadokawa Dwango Institute of Information Technology to the Group DX & VX Strategy Department at the Tokyo Head Office for a three-month internship on sustainability with the Group Public Relations Division and Sustainability Promotion Section.

a reception was held to deepen friendship among internal and external employees and foster a sense of unity companywide.

### Expansion of MIRARTH NOTE

We operate an intra-group website called MIRARTH NOTE for the purpose of sharing information and increasing communication that maximize Group synergy. MIRARTH NOTE shares information on individual Group company initiatives and releases, as well as features manuals, bulletin boards, and other up-to-date information useful for improving operational efficiency. In FY2023, we established the new Sustainability Action! page within MIRARTH NOTE to provide timely information on Group-wide sustainability activities. We disseminate articles that link individual Group company sustainability initiatives to social issues, such as the 17 SDG goals, in order to promote sustainability within the Group.



Sustainability Action! Page



## Human Resources Strategy for Supporting Sustainable Growth

### Promotion of diverse human resources

The MIRARTH HOLDINGS Group is working on diversity aimed at becoming a corporate group in which a diverse array of human resources can play an active role regardless of gender, age, nationality, or disability.

#### Women's Activity Promotion Project

As one of the seven pillars of its medium-term management plan, MIRARTH HOLDINGS is committed to “developing human resources and creating a rewarding workplace environment,” and is working to create a workplace environment where women can work comfortably and demonstrate their abilities by providing working conditions that are appropriate for their life stages.

#### MIRARTH Energy Solutions Initiatives

In April 2023, MIRARTH Energy Solutions established the Women's Activity Promotion Project under the direct control of the president. MIRARTH Energy Solutions has introduced a flextime system and teleworking to create an environment in which female employees can play an active role while balancing their careers and families (childcare, nursing care). In addition, MIRARTH Energy Solutions is implementing multifaceted measures such as introducing company babysitter vouchers issued by Japan's Children and Families Agency, installing Omoiari Boxes (sanitary napkins, body warmers) following interviews with female employees, and holding seminars on female work-style reforms.

In recognition of these efforts to empower women, the Company received the third level (the highest) of Eruboshi Certification from the Minister of Health, Labor and Welfare based on the Act on Promotion of Women's Participation and Advancement in the Workplace in November 2023. The Eruboshi Certification is a system under which the Minister of Health, Labor and Welfare certifies companies that are making outstanding efforts to promote the empowerment of women.



We will continue to build work environments that allow each employee to make the most of his or her diversity and aim to create conditions in which women can simultaneously raise children and potentially serve as president (e.g. of a company).

#### Takara Leben Initiatives

As part of its efforts to develop human resources and create a rewarding work environment, Takara Leben promotes the Women's Activity Promotion Project. In May 2022 Takara Leben introduced a discount system for babysitters to enable employees to balance work and child rearing, and this is subsidized by the Cabinet Office's Babysitter Dispatch Service Discount Program. In October 2022, we introduced the Middle Career Track System as a new work style for women in sales positions who have returned to work after maternity or childcare leave.

#### Promoting Male Childcare Leave

MIRARTH Energy Solutions is promoting efforts to encourage male employees to take childcare leave by holding study meetings and posting information on its electronic bulletin board to raise awareness internally about such leave. In November 2023, MIRARTH Energy Solutions was registered as a Gold Company—the highest grade of the Tokyo Metropolitan Government's Tokyo Dad Childcare Promotion Company Registration Mark—in recognition of it achieving a 100% male childcare utilization rate in FY2022.

### Introduction of Limited Area Employee System

In response to the urgent need to secure a workforce against the backdrop of a declining workforce due to the falling birthrate and aging population, the urgent need to secure personnel in rural areas due to the expansion of business areas, and the growing needs of job seekers, Takara Leben introduced the limited area employee system in FY2022. We aim to facilitate recruitment in local areas and to secure and retain human resources by diversifying work styles.

### Employment of Persons with Disabilities

Leben Village, a farm in Chiba City, Chiba Prefecture, employs three people with disabilities and a farm manager to grow a variety of vegetables. We provide a secure long-term working environment and offer employment that enables people with disabilities to play an active role.



Employees working at Leben Village

## Employee Safety and Health Management

The Group is committed to creating workplace environments where employees can work in a relaxed and healthy manner.

#### Health Committee

Takara Leben is working to create working conditions in which all employees can work with peace of mind centered on the Health Committee as stipulated by Article 18 of the Industrial Safety and Health Act. The Health Committee meets regularly to investigate and report on traffic accidents, occupational accidents, and overtime work as important risks that threaten employee health and safety in the workplace, as well as to discuss ways to solve these problems.

Committee members representing different workplaces have raised specific issues regarding working conditions and practices that hinder efforts to reduce overtime work and encourage leave-taking. The Committee discusses measures to alleviate these issues with management, and these measures are being phased in.

#### Efforts to Reduce Working Hours

Takara Leben promotes a time-conscious and efficient work styles to improve the health of employees. In FY2021, Takara Leben introduced an “application system for extended PC use”

linked to the turning on and off of PCs. The system is expected to reduce overtime hours because if an employee continues to use a PC without requesting extended PC use (overtime work) from the manager, a warning will appear on the screen and the PC will be shut down. On the other hand, managers are 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.

Moreover, in order to resolve issues identified based on employee awareness surveys about work-life balance, Leben Trust is implementing no-overtime days twice a month in each section, encouraging staggered work hours, paid holidays, and telework, supplementing personnel as needed, and adopting DX.

Leben Community's new employee attendance system went into operation in October 2022 and enables more accurate employee labor management than before by extracting various types of data. We will continue to monitor employee attendance to manage the health of employees.

## Respect for Human Rights

The Group acts with respect for the fundamental human rights of its employees and all other stakeholders, and complies with laws and regulations, social codes of ethics, or those stipulated in the “Code of Ethics.”

### MIRARTH HOLDINGS Group Human Rights Policy

We have established a human rights policy in order to clarify the Group's approach to human rights in the course of our business activities. The Group expects all stakeholders involved in our business to understand and practice respect for human rights in line with the Policy, and we will work together to promote respect for human rights.

#### Human Rights Policy (excerpts)

1. Respect for International Human Rights Standards
2. Scope of Application
3. Key Issues Related to Human Rights
4. Human Rights Due Diligence and Remedy/Correction
5. Dialogue and Discussion with Stakeholders
6. Information Disclosure

Human Rights Policy full text

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

### Voice Employee Voices

#### I'm now consistently aware of how to use my time so that I can take care of my work and family.

I am in charge of purchasing land for new built-for-sale condominiums. Male employees Groupwide are encouraged to take parental leave, and I took two and a half weeks of parental leave when my third child was born. My two older children were also very young at 3 and 1.5 years old, and when my wife was in the hospital, I was exhausted from looking after and playing with them all day long. However, it was a valuable experience spending time with my children and watching them grow daily. After returning from paternity leave, I became more conscious of managing my schedule so that I could return home as early as possible. I began asking subordinates and junior staff for help with tasks that I used to do myself, thus improving my work efficiency. I get the sense that various systems have been introduced to help people balance family and work. However, since children's events are sometimes held on weekdays, I think systems like special leave for these events would allow people to spend more time with their families. I also think something like a telework day could be an opportunity to create family time.

I will continue to work efficiently so that I can make the most of my work and family life, while also advancing my career and helping local communities to grow by developing condominiums.

#### Kazuki Hashimoto

Takara Leben Co., Ltd  
West Japan Branch  
Condominium Business Headquarters  
Kyushu & Shikoku Office Development Department

## Contributing to the Reduction of Environmental Impact

Based on its environmental policy, the MIRARTH HOLDINGS Group has set a target for achieving net zero CO<sub>2</sub> emissions by FY2050. The Company aims to help realize a decarbonized society by enhancing initiatives to reach this target.

Materiality	KPIs (Targets for FY2024)	
<ul style="list-style-type: none"> <li>Addressing climate change and decarbonization</li> <li>Promoting the stable supply and use of renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>CO<sub>2</sub> emission reduction rate (Scope 1, 2 and 3) <b>45% by FY2030 (compared with FY2022)</b></li> <li>Number of internal initiatives contributing to energy conservation <b>10 initiatives</b></li> <li>Active development of renewed/renovated condominiums</li> </ul>	<ul style="list-style-type: none"> <li>Total renewable energy generation capacity <b>780 MW by FY2029 (solar equivalent)</b></li> <li>Acquisition of environmental performance certifications: <b>5</b></li> <li>Adoption rate of ZEH standard in detached houses <b>100%*</b></li> <li>Promoting the use of renewable energy in the business of newly built condominiums for sale</li> </ul>
	<p>* Houses with insulation performance grade 5 and primary energy consumption grade 6 (excluding renewable energy standards)</p>	

### MIRARTH HOLDINGS Group Environmental Policy

The Group thinks more positively about the future happiness of people and the Earth than anyone else, and proposes the creation of a sustainable environment that is friendly to the Earth.

**Environmental Policy (excerpts)**

- Providing environmentally friendly buildings and spaces
- Addressing climate change
- Maintenance and conservation of biodiversity
- Promotion of resource recycling
- Compliance with environmental laws and regulations and environmental education
- Establishment of environmental management

Environmental Policy full text <https://mirarth.co.jp/en/sustainability/environment/policy/>

## Providing environmentally friendly buildings and spaces

In line with our environmental policy, we strive to improve environmental performance and reduce environmental burden. Additionally, we proactively incorporate environmentally friendly technologies and concepts into our products and services, with the aim of creating circular communities and addressing climate change.

### ZEH Condominiums

Takara Leben is committed to supplying environmentally friendly ZEH condominiums.\*1

LEBEN OITA EKINAN LUXES (Oita city, Oita Prefecture) is a ZEH-M Oriented condominium that reduces residential primary energy consumption by approximately 28%, and the condominium has received the highest rating of 5 stars (out of 5 scale) under the BELS, an energy efficiency rating system. Comfortable living space is realized by improving insulation and combining it with high-efficiency facilities such as LED high-efficiency lighting, hot water saving faucets, and Low-E double glazing glass.

LEBEN TOYAMA JINZUHONMACHI ONE TOWER (Toyama City, Toyama Prefecture) by Takara Leben is insulated not only on the exterior walls and folded parts but also on the ceiling surface to ensure the high insulation performance required for a ZEH condominium, and metal sashes and double-layer double glazing Low-E glass are used for openings. The condominium has obtained Grade 4 in the "heat insulation performance grade" of energy conservation measures\*2 (whereas ordinary condominiums are rated Grade 3), and Grade 5 in the "primary energy consumption grade."



LEBEN OITA EKINAN LUXES

\*1 ZEH (Net Zero Energy House): A house that simultaneously achieves a "comfortable indoor environment" and a "net annual residential energy consumption of approximately zero or less."

\*2 Energy-saving measure grade: Established by the Ministry of Land, Infrastructure, Transport and Tourism as a grade that expresses energy-saving performance.

### CASBEE Certification

The MIRARTH HOLDINGS Group is promoting the acquisition of CASBEE\* Building (new construction) certification, a comprehensive building environmental performance evaluation system.

LUXENA YOGA (Setagaya Ward, Tokyo), a part of the high-grade rental residence LUXENA series, has obtained Rank A under CASBEE-Building (New Construction). The energy-saving brand "Ecocube," which combines energy-saving performance with high thermal insulation, has been adopted to improve indoor environment and energy savings, including lowering fuel and lighting expenses, through the introduction of highly insulated inner sash, high-efficiency air conditioners, heat-exchange ventilation fans, and other features.

At L.Biz NIHOMBASHI (Chuo-ku, Tokyo), a part of the L.Biz office building series, we are working on heat load control of the building envelope and seeking to improve the indoor environment by controlling room temperature and lighting. The property was the first in this series of office buildings to receive the Rank A in CASBEE-Building (New Construction) category.



LUXENA YOGA

\* CASBEE (Comprehensive Assessment System for Built Environment Efficiency): A system for evaluating and rating the environmental performance of buildings. It comprehensively evaluates the quality of buildings, including environmental considerations such as energy conservation and the use of materials and equipment with low environmental impact, as well as indoor comfort and consideration for the landscape.

## Information Disclosure Based on the TCFD Recommendations

In June 2022, MIRARTH HOLDINGS, Inc. endorsed the TCFD\*1 recommendations and joined the TCFD Consortium.\*2 We analyzed and responded to risks and opportunities related to climate change and its impact on Group operations. We intend to expand and augment our disclosure of information on climate change in line with the TCFD recommendations for information about governance, strategy, risk management and indicators and targets.

### Governance

To address risks and opportunities related to climate change, the Company has established a governance structure centered on the Sustainability Committee and supervision by the Board of Directors. The Chief Executive Officer for climate-related responses is the Representative Director and President, and the Executive Officer is the Director in charge of sustainability. This officer reports regularly to the Chief Executive Officer on matters related to climate change, 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 members of the Sustainability Committee, decisions are made by the Chief Executive Officer.

### Strategy

#### Scope of Analysis

The scenario analysis covered two of the Group's major businesses, namely the real estate business and the energy business, which are relatively more affected by climate change.

#### Referenced External Scenarios

The TCFD recommendations advise explaining the resilience of the Company's strategy based on multiple scenarios, including those below 2°C.

Source Organization	1.5°C-2°C Scenario	4°C Scenario
IEA (International Energy Agency)	NZE2050	STEPS
IPCC (Intergovernmental Panel on Climate Change)	RCP4.5	RCP8.5

### Why this scenario was chosen

**IEA NZE2050** (1.5-2°C scenario transition risk)  
IEA was selected as a possible reference since the main source of greenhouse gas emissions is energy consumption.

**IPCC RCP4.5** (1.5-2°C scenario physical risk)  
IPCC reports were selected for physical risk analysis scenarios since it is considered as a standard reference document for meteorological conditions.

**IEA STEPS** (4°C scenario transition risk)  
IEA was selected as a possible reference since the main source of greenhouse gas emissions is energy consumption.

**IPCC RCP8.5** (4°C scenario physical risk)  
IPCC reports were selected for physical risk analysis scenarios since it is considered as a standard reference document for meteorological conditions.

### A possible worldview in each scenario

#### 1.5-2°C scenario (Large transition risk, small physical risk)

This is a scenario which limits the rise in global temperatures at the end of the 21st century to 1.5°C to 2°C above pre-industrial levels, as social policies and emission regulations for decarbonization are strengthened and progress is made in addressing climate change to achieve the Paris Agreement targets. The trend toward decarbonization or low carbonization on all fronts, including policy, investors, and consumers, will become more pronounced and companies are expected to take even stronger measures towards climate change. If not, transition risk will increase, and competitive advantage will decrease. On the other hand, it is assumed that the high frequency and severity of climate disasters will be suppressed to a certain degree, and physical risks will be relatively low.

#### 4°C scenario (Small transition risk, large physical risk)

This is a scenario in which the global temperatures at the end of the 21st century will rise by 4°C above pre-industrial levels, since sufficient climate change mitigation measures are not realized, and greenhouse gas emissions continue to increase. Physical risks are expected to increase, with a marked increase in the severity of natural disasters, sea level rise, and extreme weather events. On the other hand, as efforts toward decarbonization stall in policy and in capital markets and consumers, transition risks will be relatively small.

\*1 TCFD (Task Force on Climate-related Financial Disclosures): An international initiative established by the Financial Stability Board (FSB) at the request of the G20 to examine how climate-related information should be disclosed and how financial institutions should respond.

\*2 TCFD Consortium: A private-sector initiative established in 2019 to discuss effective disclosure of corporate information and efforts to link disclosed information to appropriate investment decisions by financial institutions and others.

**Identification of risks, opportunities and response measures, strategies**

Based on the 1.5°C to 2°C scenario, in which policies and regulations are strengthened to move toward a decarbonized society, and the 4°C scenario, in which the physical impacts of climate change will occur due to more intense extreme

weather events, we have identified risks and opportunities and assessed their impact on our business as follows. The financial impact was evaluated qualitatively, referring to each scenario as described previously. In response to the risks and opportunities identified, the Company will pursue the following initiatives.

**Real Estate Business**

Classification	Major Risks and Opportunities	Financial Influence	Time-span	Financial Impact		Response Measures, Strategies	
				4°C Scenario	1.5°C-2°C Scenario		
Transition Risks	Policy and Law	Strengthen taxation by introducing a carbon tax	Decrease in sales volume due to higher selling prices	Short term	Small	Medium	Targets for GHG emissions' settings and management
		Strengthening various regulations, etc. due to energy conservation policy	Increased development costs for regulatory compliance	Medium term	Large	Large	Collaboration with suppliers to improve energy efficiency and strengthen sales strategies
	Technology	Evolution and diffusion of renewable energy and energy-saving technologies	Increased costs for the development and introduction of new technologies	Medium term	Medium	Large	Gather information on new technologies and services, and develop and introduce new technologies as appropriate
		Increased response to the transition to low emission technologies	Increased costs related to new measures and implementation	Medium term	Small	Small	Securing professional human resources, building an organization and internal systems
	Market	Increase in service prices by relevant suppliers against the backdrop of growing decarbonization needs	Development and construction of properties with high environmental performance such as ZEB/ZEH, etc., and increase in renovation/repair costs	Medium term	Medium	Medium	Price stabilization through collaboration with suppliers
		Reputation	Increasing scarcity of wind- and flood-resistant sites and intensifying competition in acquiring sites in favorable locations	Decrease in sales due to lost business opportunities	Long term	Large	Large
	Reduced value of products and brands that do not address climate change		Decrease in sales due to lower property sales prices and rents resulting from the decline in brand value	Medium term	Small	Medium	Set energy conservation standards for new development projects and consider installing energy conservation standard equipment in existing properties
Physical Risks	Acute	Damage to properties under construction due to wind and flood damage, prolonged construction period	Increase in construction-related expenses	Short term	Large	Medium	Adoption of construction methods resistant to wind and flood damage Enrollment in construction insurance
	Chronic	Lower productivity at construction sites due to rising temperatures	Increased costs due to a longer construction period	Medium term	Medium	Medium	Thorough management of occupational safety considerations at construction sites
Opportunities	Resource Efficiency	Promoting the use of renewable energy	Reduction of externally procured fuel and lighting expenses	Medium term	Small	Small	On-site and off-site PPA implementation
	Products and Services	Increase in demand for low emission facilities and ZEB/ZEH condominiums	Increase in sales	Medium term	Small	Medium	Promote the introduction of low emission equipment and renewable electricity
		Utilization of public support schemes	Reduction of cash outflows	Medium term	Medium	Medium	Business expansion through urban redevelopment projects, etc.
	Market	Creation of opportunities to change residence	Increase in sales	Medium term	Medium	Small	Development and promotion of ZEH/disaster-resistant condominiums
		Improving market participants' assessment of climate change	Increase in procurement opportunities and amount raised due to higher corporate value	Medium term	Medium	Medium	Enhancement of climate-related information disclosure

**Risk Management**

Our process for managing climate change-related risks is as follows.

- ① Process for identifying and assessing risks and opportunities

Significant risks and opportunities related to climate-related issues are discussed in the Sustainability Committee, and the executive director in charge of climate change response gathers internal managers together once a year to identify and assess climate-related risks and opportunities.

- ② Processes to manage risk and integration into a Group-wide risk management program

The person with ultimate responsibility for climate-related issues will designate a person or department to oversee

managing climate-related risks identified and assessed by the Sustainability Committee that are material to the business and financial plan, and will direct the development of countermeasures for these risks. In working toward risk mitigation management or realization of opportunities, we shall define relative KPIs (Key Performance Indicators) if possible and attempt to monitor and set targets. The person with ultimate responsibility for climate-related issues shall summarize the progress of each initiative and KPI at least once a year and report the status to the Sustainability Committee. The person in charge will also direct that existing Group-wide risk management programs consider, to the extent possible, climate-related risks that are material to business and financial planning. The risk identification, assessment, and management process will then be integrated.

**Energy Business**

Classification	Major Risks and Opportunities	Financial Influence	Timespan	Financial Impact		Response Measures, Strategies	
				4°C Scenario	1.5°C-2°C Scenario		
Transition Risks	Policy and Law	Stricter environmental assessments and strengthening of related systems	Increase in costs due to longer development times	Short term	Small	Medium	Promote business in accordance with various regulations
	Technology	Evolution and diffusion of renewable energy and energy-saving technologies	Increased costs for introduction of new technologies	Medium term	Small	Small	Strengthen information gathering on new technologies and systematic introduction of power generation equipment
	Market	Increasing difficulty in securing land due to intensifying competition for energy conservation	Shrinking revenue opportunities due to stagnation of new development	Short term	Medium	Large	Selection of project areas where grid connection is possible
	Reputation	Reduced value of brands	Reduced revenues due to customer attrition and limited access to capital, etc.	Short term	Small	Small	Maintain brand image by taking a firm response to climate change
Physical Risks	Acute	Damage to operating power generation facilities due to natural disasters	Decrease in sales due to lower electricity sales and increase in repair and other costs	Short term	Large	Large	Introduction of a resilient design concept, risk identification using hazard maps, profit insurance coverage, and accumulation of repair expenses
	Chronic	Increased failure rate of in-service equipment due to constant extreme weather conditions	Increase in repair expenses	Long term	Medium	Medium	Adopt a design concept that addresses climate change, selection of product standards
Opportunities	Policy and Law	Establishment of legal systems to expand and promote the diffusion of renewable energy	Positive impact on speed and volume of development	Medium term	Small	Large	Secure funding and reinforce personnel for asset expansion
	Resource Efficiency	In-house use of renewable energy	Reduction of externally procured fuel and lighting expenses	Short term	Small	Small	Selecting a development site and securing financing
	Products and Services	Development of technologies and products to address climate change	Decrease in capital expenditures and other expenses due to inexpensive technology development	Medium term	Small	Medium	Strengthen information gathering on new technologies and systematic introduction of power generation equipment
		Expansion of O&M business	Increase in O&M sales	Medium term	Small	Medium	Capital investment and securing engineers to expand O&M business
	Market	Growing demand for renewable energy	Increase revenue opportunities through new development and business expansion	Medium term	Small	Large	Market research and development of new business models
Expand investment in renewable energy		Create sales and revenue synergies with the real estate business	Short term	Small	Medium	Formation of a project team with personnel that has renewable energy and real estate knowledge	
Utilization of green finance		Increase in stock price due to higher corporate value, reduction of financial costs	Short term	Medium	Medium	Securing human resources related to green finance	

**Indicators and Targets**

We have established key performance indicators (KPIs) and targets to manage and monitor risks and opportunities. The indicators and targets we have set are as follows.

**Greenhouse gas emissions**

**Target:** Net zero greenhouse gas emissions (Scope 1, 2 and 3) from the MIRARTH HOLDINGS Group's business activities by FY2050.

With FY2022 as the base year, the mid-term target is 45% reduction (on a gross basis) by FY2030, and the long-term target is net zero (on a gross basis) by FY2050.

Our medium- and long-term targets for greenhouse gas emissions reduction, set in March 2023, have been revised by newly adding Scope 3 to the greenhouse gas emissions reduction targets corresponding to the "Net Zero Standard"<sup>\*1</sup> of the SBTi (Science Based Targets initiative).

- Announced on March 28, 2023: 50% reduction by FY2030 (compared to FY2020), net zero by FY2050<sup>\*2</sup>
- Announced on March 29, 2024: 45% reduction by FY2030 (compared to FY2022), net zero by FY2050<sup>\*3</sup>

<sup>\*1</sup> Standardized criteria published by the SBT Initiative in October 2021 to set targets for limiting global temperature increase from pre-industrial levels to within 1.5°C and achieving net zero emissions by FY2050.

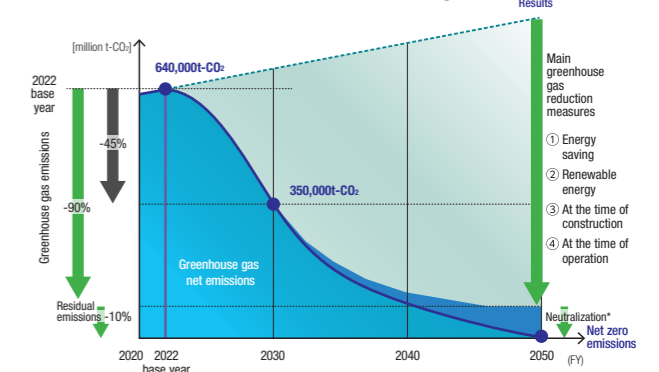
<sup>\*2</sup> Subject to Scope 1 + Scope 2  
<sup>\*3</sup> Revised by newly adding Scope 3

**Total scale of renewable energy generation**

**Target:** Total of 420 MW in new generation capacity by FY2029, bringing the total generation capacity to 780 MW (solar power equivalent).

In the energy business, the Group sees the transition to a decarbonized society as an important opportunity that is likely to increase demand for renewable energy. Our target is to increase the total scale of renewable energy generation by 420 MW to 780 MW by FY2029. In addition to solar power, we will promote the development of wind and biomass power generation, aiming to build a stable renewable energy power supply system. The Group will also expand the energy business by strengthening the operation, maintenance, and management of power plants.

**Greenhouse Gas Emission Reduction Image**



\* Neutralize residual emissions by utilizing forest-derived absorption and carbon removal technologies outside the value chain.

## Creating Value Together with Customers and Local Communities

With the aim of becoming a “future environment design company” for a happier future for both people and our planet, the MIRARTH HOLDINGS Group provides products and services that correspond to diversifying lifestyles; designs safe, secure, and attractive urban environments by improving functionality and livability; and creates and offers new value that leverages the appeal of each region in cooperation with communities. The Group actively engages in business that considers the “happiness” of people and lifestyles, and that creates “happiness” for communities and society, as a means of growing our business in a sustainable manner.

Materiality	KPIs (Targets for FY2024)	
<ul style="list-style-type: none"> <li>Realizing sustainable growth of local communities</li> <li>Addressing the declining birthrate, aging population, and shrinking workforce</li> </ul>	<ul style="list-style-type: none"> <li>Number of housing supply projects overseas <b>3 projects</b></li> <li>Number of redevelopment / reconstruction projects undertaken <b>10 projects*</b></li> <li>Results of satisfaction survey on condominium management services <b>5 points or more / 6 points</b></li> </ul>	<ul style="list-style-type: none"> <li>Number of nonconformities related to business processes and quality standards <b>10 or less</b></li> <li>Training hours per person <b>25 hours</b></li> <li>Promoting acquisition of DX Business Certification</li> <li>Proposing new services for lifestyles <b>10 proposals</b></li> </ul>
	* Including businesses for improvement of prime buildings, etc.	

### Proposals for Diverse Lifestyle Needs

Lifestyle needs have been diversifying in recent years, with increasing numbers of dual-income households and single-person households, as well as a greater prevalence of remote work. The Group therefore constantly creates products and services that meet these changing needs, and supports more fulfilling lifestyles for our customers.

#### Idea Competition “Personal Innovation Challenge Pic”

Pic is an abbreviation for “Personal Innovation Challenge,” a new business creation system where employees are invited to submit business ideas based on their free thinking. In FY2023, the second year of the program, there were more than 390 entries. Once an idea has passed the first and second screenings, and is selected for business implementation after a presentation to the Board members during the final screening, the originator can choose to “go independent as a business company,” “be appointed as the head of a new department,” or “transfer the idea to the Company.”



#### “USE OF MODEL ROOMS AND SALES CENTERS AS DISASTER RESPONSE SITES” Project

The model rooms created when selling built-for-sale condominiums show customers what completed built-for-sale condominiums will be like and serve as sales negotiation sites. However, they are frequently built for individual condominiums and torn down after all units are sold. We are promoting efforts to open this model room to the general public as a disaster prevention center, equipped with preserved food and water essential for daily life in the event of a disaster. Efforts began in FY2019, and installation was completed at all model rooms of condominiums sold by Takara Leben.



#### “Detached house with business support package” - Rental space in your home “CUBE Plan”

“Detached house with business support package” - Rental space in your home “CUBE Plan” is a plan in which a spacious and independent “CUBE” is placed in the corner of a detached house in a large development site and is used by the owner as a hobby or workspace, while being offered as a rental space to the neighborhood when not in use.

The Group is responding to the demand for rental space by offering plans with rental space in detached subdivisions, which are often supplied in suburban areas, and proposing and offering a variety of ways of living to people living in the surrounding areas. It will support diverse hobbies and remote work, bring new scenes and fun to the community, and help build assets in the future. In 2023, this plan won the Good Design Award in the GOOD DESIGN AWARD 2023 organized by the Japan Institute of Design Promotion.



Rental space “CUBE Plan”

#### “10 for All” Safety Assurance Service

As part of our efforts to ensure that residences progress from “material wealth” to “qualitative wealth,” we have begun providing the “10 for All” safety assurance service. “10 for All” offers customers support through extended warranties for residential facilities and equipment, 24-hour emergency response and maintenance support for water leaks, key issues, glass breakage, inspections of private areas and repair services, and other services for 10 years after property handover.

#### “KIT+” Personal Disaster Kits

“KIT+” is not like kits of disaster response goods for entire households, but instead a concept focused on individual needs. These were the winner of a Good Design Award 2016. Each consists of an A4-sized folder file-like package in which individuals supplement with their specific needs in the event of an emergency, to be kept close at hand at all times.

### Improving Building Value & Service Quality

In order to provide comfortable living environments to our customers, we introduced an original quality control system. Similarly, we collect opinions through questionnaires that we provide to our model room visitors and our tenants, which we then apply to product planning, as well as to service and quality enhancements.

#### Service Quality Management System (SQMS®)

Leben Community ensures quality using our unique service quality management system (SQMS®) to continue managing our customers' important assets over the long term. SQMS® applies ISO 9001, an international standard for quality management systems, to condominium management. It sees condominium management as consisting of four support services (site management, financial management, asset management, and operations management) and applies the PDCA cycle to each to continuously improve quality.

Specific actions include providing feedback to the relevant departments on the opinions of condominium management association members, collected through questionnaires, which leads to improvements in the quality of a wide range of services.

#### Customer Satisfaction Improvement

##### Sales Staff Survey

Takara Leben has been conducting a survey to model room visitors since FY2019. In the survey, we received evaluations on all aspects of the sales staff's response, including whether they were able to make proposals that met customers' needs and whether their explanations were easy to understand and appropriately timed, for example.

Since FY2022, we have introduced a survey response

method using iPads and QR code readers and have received more than 9,000 customer comments.

##### Tenant Survey

Takara Leben Real Estate Investment Corporation conducts surveys to as many tenants as possible and strives to consider and implement measures to improve satisfaction levels. We have received valuable feedback from office and commercial properties (10 properties, 127 tenants) on their satisfaction levels, desired renewal areas, and measures against infectious viruses, which will lead to the maintenance of good communication in the future.

##### Establishment of Takara Leben Owners Club “DLPS”

Takara Leben has established “DLPS (Drops),” an exclusive application that provides housing and living-related services to subscribers of our condominium brands “LEBEN,” “THE LEBEN” and “NEBEL” series. Takara Leben has formed a business alliance with Fukujukai, a medical corporation that has long provided community-based medical and nursing services, to provide content focused on medical and welfare services. From February 2024, the “DLPS” application will include health-related columns by medical professionals and a form for health-related consultations to support users' health.

### Disaster Response

The Group has established solid crisis management structures to protect the safety and peace of mind of condominium residents, and engages in efforts to quickly stabilize people's lives in the event of a disaster.

#### Dispatch of Registered Non-Life Insurance Appraisers to Disaster Areas

In cooperation with major insurance companies, Leben Community dispatched of our own appraisers from the Company to conduct a total of 24 damage appraisals for a one-month period starting from February 2024 in the Ishikawa and Toyama prefectures damaged by the 2024 Noto Peninsula Earthquake.

No other condominium management company has an appraiser on staff to perform damage appraisal and damage restoration work at the request of insurance companies, making this the first such initiative in the industry. A letter of appreciation was presented by a major insurance company in recognition of the Company's significant contribution to the prompt payment of insurance claims to disaster victims.

## Creating Value Together with Customers and Local Communities

### City Development

The Group is committed to solving various urban issues, improving functionality and livability, and realizing safe, secure and attractive urban development. The Group therefore participates in government-led development projects, and carries out developments that lead to revitalization of the area's sustainable liveliness, thereby contributing to community revitalization.

#### Excellent Building Development Project of Odawara City, Sakae-cho, 2-chome Chuo chiku

MIRARTH HOLDINGS is implementing the "Excellent Building Development Project of Odawara City, Sakae-cho, 2-chome Chuo chiku" in Odawara City, Kanagawa Prefecture, and is working to "Revitalize the city center, making it livelier and more relaxing."

The project will develop a complex facility that integrates commercial and residential properties. When designing a space, we design it to be a landmark of the city, with high design quality, high earthquake resistance and disaster prevention, and with consideration for the environment. In the commercial area on the lower floors, we will attract tenants that create continuity with the shopping district, aiming to create a close community with the surrounding shopping and neighborhood associations, while mutually improving circulation and convenience of living and creating a facility that will be an interaction hub among people. The development includes 286 residential units (as of June 2024) in aims of increasing the number of permanent residents in the central business district of Odawara City.



Excellent Building Development Project of Odawara City, Sakae-cho, 2-chome Chuo chiku (conceptual image)

\* 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.

#### Urban Redevelopment of Machikatamachi and Toriyokocho District 1, Numazu City, Shizuoka Prefecture

On November 16, 2022, Takara Leben, together with Fujita Corporation, formed a joint venture with the Urban Redevelopment Association of Machikatamachi and Toriyokocho District 1, Numazu City, Shizuoka Prefecture, and signed a basic agreement with the association as a specified business agent.

This project aims to redevelop a part of the arcade of famous stores, which was established in 1954 as Japan's first shopping arcade with fireproof and communal architectural style, and to

redevelop the central city area through the redevelopment. Demolition and site preparation work is scheduled to begin in 2024, with completion of 105 residential units with 10 floors above ground and one below by January 2028, as well as the retail space.



Urban Redevelopment of Machikatamachi and Toriyokocho District 1, Numazu City, Shizuoka Prefecture (conceptual image)

#### Minamikoiva 6-chome District Type 1 Urban Redevelopment Project

MIRARTH HOLDINGS together with Nomura Real Estate Development Co., Ltd. and SHIMIZU CORPORATION, is participating in the "Minamikoiva 6-chome District Type 1 Urban Redevelopment Project" in Edogawa Ward, Tokyo, as a participating partner and specified business agent to acquire the reserved floors for residential and commercial properties.

To realize the "JR Koiwa Station Area Urban Development Master Plan" formulated by Edogawa Ward in January 2009, this project will renew the area into an urban complex with residential and commercial functions through the advanced use of land. It aims to create a lively environment and improve the living environment and community safety and security by creating a sense of circulation and liveliness using the Ring Road which will be developed in the form of connecting the Minamikoiva 7-chome West District, which was completed in 2015 and the Minamikoiva 7-chome District, for which a preparatory association was established in August 2016. Since the project is located at the entrance to the Flower Road shopping street, we aim to create a facility that will be the symbol of JR Koiwa Station while focusing on the continuity of the city section by taking advantage of its location in front of the station. This project has been developed sequentially covering three city sections (I-III), with Section III scheduled for completion in November 2025.



Minamikoiva 6-chome District Type 1 Urban Redevelopment Project

### Regional Revitalization

The Group promotes regional development through its business. As part of hotel development, we collaborate with local communities to generate new value that leverages the appeal of local attractions, and are actively involved in community revitalization and community development activities in the areas where we supply properties.

#### "Fun&Cool Hotel KAGOSHIMA Airport (tentative name)"

The Kagoshima Airport Hotel, which has a 51-year history as the gateway to Kagoshima, closed at the end of March 2024 due to the aging of the building. Takara Leben inherited the desire of this hotel, which has a high public profile as an airport hotel near Kagoshima Airport and plays an important role as the gateway to Kagoshima, to develop "Fun&Cool Hotel KAGOSHIMA Airport (tentative name)" as a new hotel that can contribute to the revitalization of Kagoshima. The project is expected to be open and operational by the end of 2026.

"Fun & Cool Hotel KAGOSHIMA Airport (tentative name)" will be developed as the first hotel of our original "Fun & Cool" brand. Based on the concept, Maximize the "Fun" and "Cool" that you feel throughout your stay at the hotel and the entire trip, we will propose a New Style Hotel that minimizes the stress during your stay and pursues more than just design.



"Fun&Cool Hotel KAGOSHIMA Airport (tentative name)" (conceptual image)

#### Incubation Shop

Takara Leben has positioned the store in "LEBEN UEDA CHUO GALLDEA," which is in a corner of the Unno-machi shopping street in Ueda City, Nagano Prefecture, as one of the bases for community revitalization. In cooperation and collaboration with Ueda City, the Ueda Chamber of Commerce and Industry, and the Ueda City Federation of Shopping Associations, we operate an incubation shop that supports new business startups and contributes to the development of businesses.

The Ueda City Federation of Shopping Associations invited new businesses, as well as individual and corporate businesses that have been in business for less than five years, to apply to open a store, and we oversaw developing the store facilities. The first store, Classic Rose, selling sundries and smoothies opened in March 2024. Stall holders will receive management support from the Ueda City Chamber of Commerce and Industry and rent subsidies from Ueda City.

This is the first initiative in Nagano Prefecture to revitalize a shopping district while providing full support in terms of management know-how and resources.



Incubation Shop "Classic Rose"

#### Participation and Support of Community Activities

##### Participation in General Incorporated Association Koiwa Station Area Management Organization

Several large-scale redevelopment projects are currently underway in the area surrounding Koiwa Station. Station Area Management Organization (KOITTO) was established as an organization for landowners, developers, residents, users, and others to work together to enliven the new Koiwa area to be reborn through redevelopment. MIRARTH HOLDINGS, which is participating in the Minami Koiwa 6-chome Area Type 1 Urban Area Redevelopment Project, is a special supporting member of KOITTO.

KOITTO is engaged in (1) promotion of projects and events that promote regional cooperation and collaboration, (2) operation and utilization of the KOITTO TERRACE area management base, (3) area branding activities in the Koiwa Station area, and (4) consideration of public space utilization in line with the progress of redevelopment.



Area management base KOITTO TERRACE

##### Akabane Noryo Festa

Takara Leben has been participating in the Akabane Noryo Festa since 2018 to contribute to community activities in Akabane. On August 19 and 20, 2023, 24 employees from the Company participated as staff and set up a food stall selling oversized frankfurters and drinks in addition to the customary ice cream. We will continue to contribute to community activities by interacting with residents through our participation in the Akabane Noryo Festa.



Images from the Akabane Noryo Festa

### Voice Employee Voices

#### Contributing to community development using the underlying appeal of cities -Excellent Building Development Project of Odawara City, Sakae-cho, 2-chome Chuo chiku-

I am in charge of all aspects of promoting redevelopment projects and rebuilding projects, including coordinating rights between landowners and real estate transactions. Consideration of the Odawara City building development project originated with the failure of a commercial facility to attract enough tenants, leaving the landowners in debt. In order to quickly promote the development of a complex facility that integrates commercial and residential properties, we worked in parallel to reach a consensus with the local government regarding acceptance as a grant project and to make a plan proposal to the landowners. With negotiations coming to an end immediately before the planned location was finalized, we were able to realize our ideal plan and experience a sense of achievement.

Given our strengths in expanding into regions outside of Japan's major cities, we are contributing to the development of communities through developments that utilize the underlying appeal of these kinds of cities. And as a "future environment design company," we will work to realize this approach in cooperation with other departments so that regions undergoing development can generate new added value.

#### Kazusa Arai

Takara Leben Co., Ltd.  
Condominium Business Headquarters,  
Urban Development Division  
Rebuild Solutions Department

## Outside Director Dialogue



**Keiko Yamahira**  
Director (Outside Director)



**Naohito Yamagishi**  
Director (Outside Director)

### What are your thoughts on the feelings within MIRARTH HOLDINGS and its management structure?

**Yamagishi:** I joined the National Police Agency and served as Chief of the Hokkaido Police Headquarters before retiring and serving as an outside director of MIRARTH HOLDINGS from 2022. Last November, I visited Group company Takara Leben East Japan Branch (Sendai City), where I had our first opportunity to meet with employees on site. It was clear that employees felt a strong sense of responsibility in playing their part in the recovery from the Great East Japan Earthquake. Having transferred to various police headquarters nationwide, I am acutely aware that one needs to live in these places to fully understand just how difficult it is to deal with the damage caused by snow and the heavy burden associated with its removal. In speaking with young employees, I could sense that they found it rewarding to handle condominiums in regions with heavy snowfall because they require less upkeep compared with detached houses. This positive atmosphere has led to solid results, with Takara Leben recognized as the industry leader in the number of condominiums supplied in the Tohoku area for five consecutive years.

**Yamahira:** I joined a housing manufacturer as its first female career track employee and have also served in the positions of president as well as chairwoman of an affiliate. After retiring, I served as an outside director at several companies and was later appointed an outside director at Takara Leben (currently MIRARTH HOLDINGS) in 2021. With a change in the management team, I believe that the Company has further enhanced its management structure in FY2024. MIRARTH

HOLDINGS President Kazuichi Shimada stepped down from his concurrent position as President of Takara Leben, allowing him to focus more on the overall Group. Hailing from the banking sector, Director and Managing Executive Officer Daisuke Nakamura has joined the Board and serves as Group CFO, while Takara Leben President Shoichi Akisawa is also a Board member. As such, MIRARTH HOLDINGS Board of Directors is comprised of members with diverse backgrounds. After the launch of the new structure, in May 2024, all employees gathered at a hotel in Tokyo for a rally called KICK OFF FORUM 2024. In its long-term strategy that extends through to 2030, the Company has set the major goal of securing a 1:1 ratio between the real estate and



energy businesses on an EBITDA basis in FY2029. The rally itself was an energy-filled event, during which employees asked management a series of questions on a variety of issues, including the Group's medium- to long-term management plans.

**Yamagishi:** Unfortunately, I was unable to attend that event, but reading the minutes of the Q&A session gave me the impression that there was a free and open atmosphere and little distance between employees and management. For

example, employees asked frank questions ranging from "how is the Purpose 'To design sustainable environments for a happier future for both people and our planet' connected to the long-term vision of 'Be the Takara (treasure) of the Community'?" and "what needs to be done to equal the 1:1 ratio between the energy and real estate businesses?" to "why did the Company enter the biomass fuel business utilizing cashew nut shells?"

### Do you believe deliberations by the Board of Directors are sufficient?

**Yamahira:** Board of Directors meetings provide an atmosphere in which discussions can take place freely without boundaries between outside and internal directors, so I don't hesitate to speak my mind. Under the holding company structure, many of the executive functions have been transferred to operating companies, so the topics for discussion are related to new businesses, major investments, and management policies. I feel that management has moved very fast in such areas as cashew nut-related operations and overseas business development. I am impressed by this but feel that there should be more opportunities for consultation even though some preliminary explanations are provided for projects that significantly impact management.

**Yamagishi:** Being the first director hailing from the National Police Agency, I was told by President Shimada to just say whatever is on my mind. Echoing Director Yamahira's comments, I feel that more time should be spent on certain agenda items given the constraints on the Board's time. In addition, when I joined two years ago, the Board didn't fully

discuss matters particularly involving the Nomination Committee, Compensation Committee, and Risk Management Committee. Since the previous fiscal year, the Company has adopted a system that enables information sharing and facilitates in-depth discussions.



### How do you view governance initiatives?

**Yamagishi:** Some excellent companies in Japan have recently been hit by scandals that have become social problems. When companies become large with sizeable staff, some inappropriate incidents are bound to occur. The question then is how to respond once such incidents are uncovered. To deal with this, it is important to establish a system in which major issues and also on-site complaints are properly centralized and reported to the Board regularly. Minor incidents can pile up if they are not reported, eventually impeding information gathering. This ultimately means that even reports of major problems do not reach top management. As a holding company, MIRARTH HOLDINGS must be aware of any potential improprieties at each Group company. While there have been no major problems to date, improprieties are reported to the Board. We spend a lot of energy on addressing improprieties and examine ways to prevent them from reoccurring. Based on my experience in the National Police Agency, however, I think more effort could be put into this. It is important to make a habit of centralizing various problems,

even minor ones, and the Board needs to have a common understanding of how each of these problems should be handled.

**Yamahira:** The Company has established a governance system that features a department that monitors Group governance and operating companies that have their own auditors. In addition, all directors participate in the Risk Management Committee and Compliance Committee. I have previous management experience and served as an outside director for other companies. Many corporate scandals that have turned into social issues would not have escalated if they had been handled at the frontline level. However, corporate culture often makes it difficult to report issues to superiors, and by the time they come to the attention of management there is often nothing that can be done. To prevent this, it is important to make workplaces more open, foster a corporate culture that enables employees to speak up to superiors, and ensure that whistle-blower systems are functioning properly. We outside directors participate in Risk

## Outside Director Dialogue

Management Committee and Compliance Committee meetings, where we spend a lot of time seriously debating issues that come up, and these meetings can sometimes last longer than meetings of the Board of Directors. I think there are few companies where outside directors participate to this extent in discussions about individual cases of impropriety at each Group company. Going forward, I believe that the governance system can be further strengthened by pivoting committee discussions back to on-site issues and having the Board keep an eye on whether measures to prevent recurrence of improprieties are effective. We have a risk management system that divides hundreds of front-line risks into

major, medium, and minor items and addresses them on site. Looking ahead, I anticipate further improvements in this system.

**Yamagishi:** There needs to be a system that conveys information from the workplace to management and enables information analysis. The Group conducts a happiness survey among its employees, which indicated a low score at a Group company where improprieties had occurred. A low level of employee happiness does not necessarily lead to scandals, but it warrants caution. In order to cut short any scandals ahead of time, information from these surveys and other sources must be analyzed in a variety of ways.

### What skills are Directors required?

**Yamagishi:** The Company's long-term strategy is to focus on the energy business to the same extent as the real estate business, but it currently has few energy specialists on the Board. Directors with this skillset will of course be necessary. However, I wonder if such energy experts can take on the challenge of running biomass fuel operations utilizing cashew nut shells. I feel that the ability to keep moving forward is important, with skills as a complementary asset.

**Yamahira:** On an executive officer basis, I believe that skills in the energy sector and overseas need to be strengthened.

It would be good to have a system that appoints personnel with such skills as executive officers, who are overseen by President Shimada and Director Akisawa. DX is also needed since it is an important skill for executive officers and directors to have. The Company is a B2C business and thus possesses a vast amount of valuable customer data. DX is the key to effectively using this data to implement one-to-one marketing that meets the needs of individual customers, improve business and management efficiency, maximize Group synergies, and develop new businesses.

### What should MIRARTH HOLDINGS do to increase corporate value?

**Yamagishi:** I sense that the Company is yet to be properly evaluated by shareholders, so it is important to spread the word about individual companies like MIRARTH HOLDINGS and Takara Leben. Of course, the Company is conducting public relations activities, but people need to be made aware of its business strategy and corporate value. During my first year as a director, I noted mainly at Board meetings that the investor relations structure was inadequate and needed to be enhanced. I feel that investor relations have gradually become more proactive since the previous fiscal year but need to be brushed up with the overall Japanese economy picking up.

**Yamahira:** The Company is determined to make steady progress on the roadmap it has unveiled for its long-term strategy toward FY2029 and to show shareholders what that will look like. First, the Company will generate a solid profit in the core real estate business and then create a stable structure that will enable it to invest in new businesses. On top of that, the Company will show that it can create synergies with

the asset management business. The other growth field is the energy business. The Company's initial energy business was based on the Feed-in Tariff (FIT) system, but it has made upfront investments in anticipation of that system coming to an end. Many companies are striving to become carbon neutral by 2050 and halve their greenhouse gas emissions by 2030, requiring them to utilize renewable energy sources, so demand for renewable energy is expected to increase going forward. The Medium-Term Management Plan ends in FY2024, and what kind of figures and plans will emerge in the next plan will likely fuel market expectations. I think the Company will be evaluated fairly if it can clearly convey to investors that it has achieved this Medium-Term Management Plan and is making steady progress toward 2030 targets. There will be times when the Company will take meaningful risks for growth, and as a member of the Board of Directors I would like to encourage risk-taking that promotes growth and, in turn, increases corporate value.

## Message from Newly Appointed Outside Directors



**Kaname Uchida**

Director (Outside Director)

Joined the Ministry of Construction (currently the Ministry of Land, Infrastructure, Transport and Tourism) in 1978. Served as Director General of the Land Economy and Construction Industries Bureau of the Ministry of Land, Infrastructure, Transport and Tourism, as well as Councilor, Cabinet Secretariat and Director-general of Regional Revitalization in the Cabinet Secretariat, as well as Director of the Regional Revitalization Promotion Office in the Cabinet Office, before retiring in 2015. Appointed Executive Vice President of the Real Estate Companies Association of Japan in November 2015. Visiting professor at Reitaku University since 2017. Advisor to the Real Estate Companies Association of Japan and Chairman of the Land Institute of Japan

**I will work to deepen and evolve corporate value in line with the Company's Purpose, utilizing my experience in real estate administration at the Ministry of Land, Infrastructure, Transport and Tourism.**

I worked for the Ministry of Land, Infrastructure, Transport and Tourism for a long time and was in charge of real estate administration during the Lehman Shock in 2008 and the Great East Japan Earthquake in 2011. In the second Shinzo Abe Cabinet, I served as the first head of regional development in the Cabinet Secretariat. After retiring from the Ministry of Land, Infrastructure, Transport and Tourism, I served for eight years as Vice Chairman and Managing Director of the Real Estate Companies Association of Japan, where I worked to implement the industry's policy recommendations.

In light of my background, I believe that MIRARTH HOLDINGS' Purpose Management is very much ahead of its time. In particular, despite the real estate business being solid, the Company's efforts to develop the energy and asset management businesses as major pillars alongside real estate—with an eye on global trends and Japan's demographics—is a rare and bold management strategy, even in the real estate industry.

Needless to say, since the Company has been a holding company for only a short while, the management team and others will need to work tirelessly to ensure that the management policy based on its Purpose permeates each layer of the Group and to gain the understanding and support of a wide range of stakeholders. I look forward to cooperating with the management team based on my accumulated knowledge to deepen and evolve the corporate value in line with the Company's Purpose.



**Yuko Kanamaru**

Director (Outside Director)

Admitted to the Tokyo Bar Association and joined Mori Hamada & Matsumoto in 2006. Graduated from the University of California, Los Angeles School of Law in May 2012 and joined Rajah & Tann Law Office (Singapore) in August of that year. In August 2013, dispatched to Sumitomo Electric Industries, Ltd. In January 2023, partner at Gaien Partners, serving as an outside director and outside auditor for companies.

**I will actively participate in management with an accurate understanding of legal risks from the perspective of an expert in the labor field and dispute resolution.**

In 2006, when I started my career as a lawyer, a new labor tribunal system was established, and there were many labor dispute cases that involved labor tribunal proceedings. This prompted me to specialize in dispute resolution centered on labor disputes. After four and a half years of work experience in Japan, I studied in the United States and articulated with an international dispute team of a major law firm in Singapore. After returning to Japan, I was dispatched to the legal affairs department of Sumitomo Electric Industries, Ltd., where I had an opportunity to handle American class action lawsuits and OEM negotiations. I currently focus mainly on international disputes and transactions, as well as handle a wide range of duties related to labor law, corporate law, and governance.

Relative to its expanding size, MIRARTH HOLDINGS is a tightly knit company where employees are aware of their roles in the Company and are committed to their work, while each Board member is cognizant of his or her responsibility to create comfortable working conditions for all employees. Based on the knowledge and experience of corporations that I have handled in my capacity as a lawyer, I would like to have a perspective based on precedents from other companies so that it will serve a useful purpose. I hope to apply my experience in dispute resolution, which is my specialty, in terms of preventing business conflict. I also hope to assist in proactive management through discussions with Board members.

I have only just started in this position and am still deepening my understanding of the Company. However, I will do my best to raise simple questions and engage in vigorous discussions.

# Corporate Governance

## Basic Approach

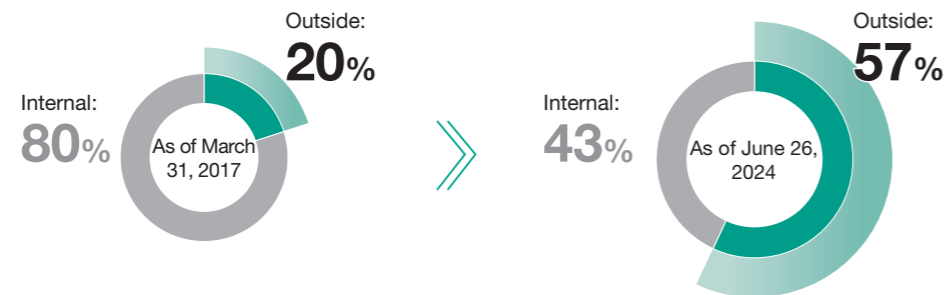
Having defined "Our Purpose" as "To design sustainable environments for a happier future for both people and our planet," the MIRARTH HOLDINGS Group recognizes that addressing topics related to sustainability is an important management issue. Similarly, our basic approach to corporate governance is to always consider the happiness of customers, employees, business partners, local communities, shareholders, and all

other stakeholders in making prompt decisions so that we can respond flexibly to changes in the business environment, and to ensure the transparency of this decision-making process. We will not only pursue profits, but also comply with laws, regulations, and corporate ethics, fulfill our social responsibilities as a member of the corporate community, and aim to sustainably enhance our corporate value.

## Efforts to Strengthen Corporate Governance

Years	Details of 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 two 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

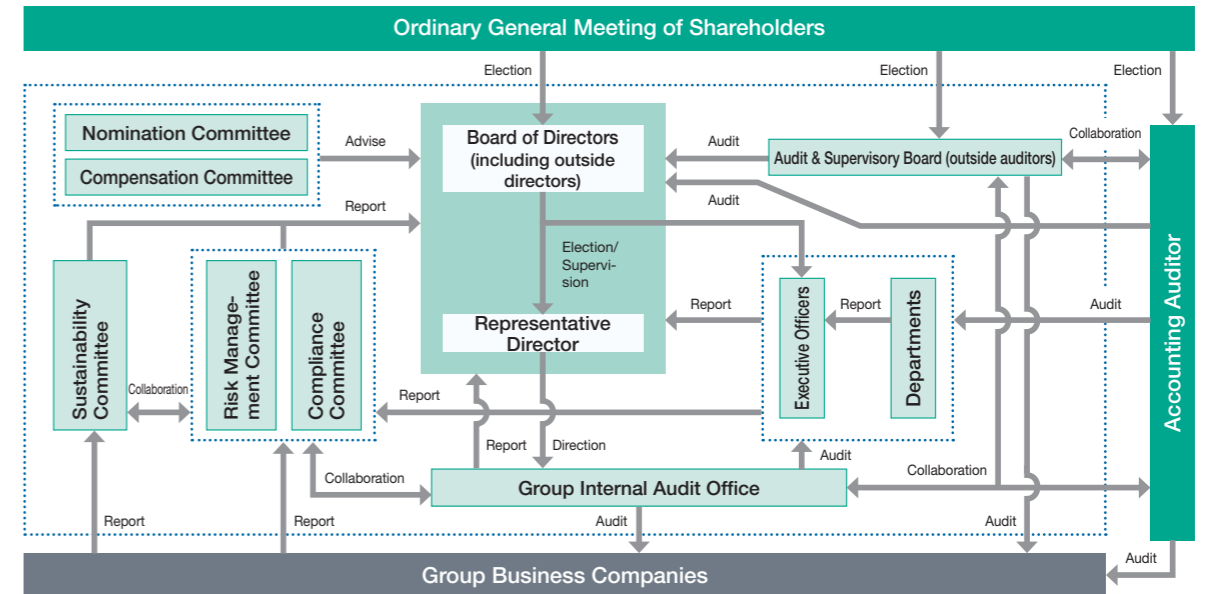


## Corporate Governance System

In October 2022, the Group transitioned to a holding company structure from the perspectives of clarifying profitability and business responsibilities for each segment, and of more effectively utilizing management resources. In order to appropriately supervise and audit the execution of business, we have adopted a system whereby the Board of Directors is

responsible for supervision and the Audit & Supervisory Board is responsible for audits. As part of this system, we have also introduced an Executive Officers system, thereby clearly segregating the management supervision responsibilities of the directors from the business execution responsibilities of the executives.

### Corporate governance system (as of June 26, 2024)



### Board of Directors

The Board of Directors is authorized to implement the following key roles and responsibilities: "to show the major direction of corporate strategy, etc.," "to develop an environment that supports appropriate risk-taking by senior management," and "to conduct highly effective supervision to management and directors from an independent and objective standpoint." Chaired by the Representative Director, the Board of Directors currently consists of seven members, including four outside directors, and, in principle, meets once per month. Moreover, extraordinary Board of Directors meetings are held as necessary to make careful and prompt decisions, and to ensure that directors can

mutually monitor the execution of their respective duties.

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, the heads of other departments, and others who have received requests from the Board of Directors based on internal regulations, all of whom express their opinions on each issue or reporting matter as appropriate.

### Items discussed by the Board of Directors as key management issues

- In formulating our management strategy, we undertook the election of managers in the HD system to clarify management responsibilities. We are also actively exchanging views on wage base pay increases as an investment in human resources.
- As part of the implementation of our management strategy, we made appropriate decisions on business execution, such as the sale of existing assets in preparation for the early transition to an HD structure, and executed investments and loans and debt guarantees, as appropriate, taking into account the financial condition of each Group company.
- We evaluated the effectiveness of the Board of Directors, and then discussed future initiatives to strengthen the Board of Directors and group governance systems after the transition to the HD system, which was identified as an issue for the future, and to enhance discussions on management strategies, including crisis-management systems and investing in human capital, for the entire Group.

### Audit & Supervisory Board

As its primary roles and responsibilities, the Audit & Supervisory Board is empowered to audit the execution of duties by directors, as well as to appropriately implement accounting audits, from an independent and objective standpoint. In principle, it meets once per month and currently consists of three members—two standing members and one part-time member—all of whom are outside Audit & Supervisory Board members. This composition ensures a system that carries out more appropriate audits, including those for the status of operations of the Board of Directors and for the status of execution of duties by the directors.

The Group also formulated the Internal Audit Regulations to devise a system whereby the Internal Audit Office fully coordinates with the audits performed by the Audit & Supervisory Board members and the Accounting Auditor when planning and implementing internal audit plans, thereby ensuring the efficient operation of the various functions. Moreover, the Audit & Supervisory Board members accompany and attend business audits performed by the Group Internal Audit Office in an effort to establish an effective and efficient audit system that confirms the details of audits and collects opinions as appropriate. The Group Internal Audit Office directly reports the results of these auditing activities to the Board of Directors and the Audit & Supervisory Board on a regular basis, thereby ensuring a coordinated framework with the directors and Audit & Supervisory Board members.

### Group Internal Audit Office

In order to enhance and strengthen internal audits, the Group established the Group Internal Audit Office as an independent



## Corporate Governance

Director's skills matrix (as of June 26, 2024)

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	●	●	●	●	●		●	●	
Daisuke Nakamura	Director, Group CFO and Managing Executive Officer		●	●		●				
Shoichi Akisawa	Director (in charge of Real Estate Segment)	●	●	●	●	●				
Keiko Yamahira	Outside Director	●	●	●	●	●		●	●	
Naohito Yamagishi	Outside Director			●		●		●	●	
Kaname Uchida	Outside Director			●			●	●	●	
Yuko Kanamaru	Outside Director			●		●		●	●	

\* Director is considered to have a particular "strength" are marked with "●"

### 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 the Nomination Committee and Compensation Committee as voluntary advisory bodies. These committees are comprised of the representative directors and outside directors, where an outside director serves as chairperson for both committees.

In FY2023, the Nomination Committee investigated and determined the succession plans for developing and selecting successors for the CEO and other positions. Meanwhile, the Compensation Committee considered and determined the executive compensation system.

### Compliance Committee and Risk Management Committee

In principle, the Compliance Committee meets once per month and the Risk Management Committee meets once each quarter, but will meet at other times as necessary. These Committees serve to ensure compliance by the Company, Group subsidiaries, and affiliated companies, as well as to assess and manage risk for these organizations. The head of the Group Internal Audit Office and the individual Audit & Supervisory Board members also conduct regular audits of Group subsidiaries and affiliated companies.

### Sustainability Committee

In principle, the Sustainability Committee meets once every quarter, but will meet at other times as necessary, to formulate policies related to the Group's sustainability, to identify and regularly review the key issues of materiality, to determine environmental policies and measures, and to report on sustainability promotion activities to the Board of Directors.

are highly specialized.

Moreover, the Group provides training for directors on a regular basis, as well as requests that Audit & Supervisory Board members attend external seminars and study meetings on an ongoing basis, to ensure they acquire and update their required knowledge.

## About Skills Required of Directors and Training

The Group believes that it is essential to ensure diversity among an appropriate number of directors by selecting those with a good balance of knowledge, experience, and ability so that the Board can effectively fulfill its roles and responsibilities. Candidates for directors are those who are excellent in character and insight, have achieved a track record in their previously assigned duties, are familiar with corporate management, or

### 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 FY2023
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.	16/16
Naohito Yamagishi	Outside Director	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).	16/16
Kaname Uchida	Outside Director	Mr. Uchida was nominated for his extensive experience and broad insight in the real estate industry, as well as for his occupational track record and experience at the Ministry of Construction (currently Ministry of Land, Infrastructure, Transport and Tourism).	-
Yuko Kanamaru	Outside Director	Ms. Kanamaru was nominated for being licensed in Japan and New York, USA, as well as for her expertise and extensive experience and track record resulting from her work as a lawyer in Japan and overseas.	-

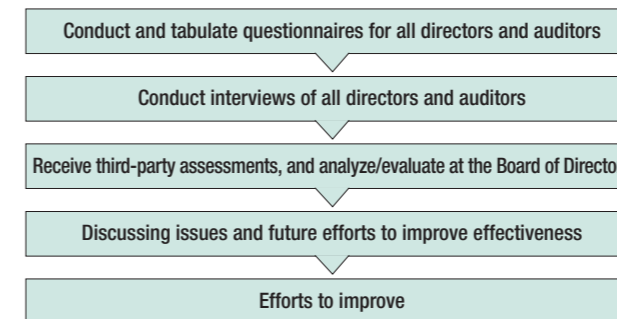
## Evaluating the Effectiveness of the Board of Directors

### Overview

In order to improve the functionality of the Board of Directors, the Company conducts an anonymous questionnaire of all directors and Audit & Supervisory Board members, including outside directors, with the help of outside consulting organizations, and analyzes and evaluates the effectiveness of the Board of Directors. This questionnaire covers topics including the composition and operation of the Board of Directors,

status of discussions, voluntary committees, dialogue with investors, executive training, and performance of directors. Starting with the effectiveness evaluation conducted in FY2023, the Company has improved the evaluation method by conducting interviews of all directors and Audit & Supervisory Board members based on the results of the questionnaires conducted by outside consulting organizations, and by receiving reports as third-party assessments.

### Analysis and evaluation process



### Evaluation Items (56 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 for directors and corporate auditors (personnel system and provision of training opportunities to support their activities)

### Evaluation results for FY2023 and initiatives for FY2024

<b>Evaluation results for FY2022</b>	<p>Although the evaluation is considered to lack continuity due to the transition to a holding company structure in October 2022, the results of the most recent questionnaire also confirm that the Board of Directors functions effectively.</p> <ul style="list-style-type: none"> <li>• While recognizing that a framework to control and manage the entire Group as a holding company was in place, the point was made that control remained insufficient in real terms.</li> <li>• Despite a positive evaluation of open discussions among each committee regarding risk management, sustainability, and other agenda items, further clarifying the points at issue for Board of Directors agenda items has become an issue.</li> <li>• In addition to receiving a fairly positive evaluation regarding succession plan formulation, there were calls to execute this plan at an early stage, as well as to implement plans for executives at Group companies.</li> </ul>
<b>Initiatives for FY2023</b>	<ul style="list-style-type: none"> <li>• Held portfolio meetings every two weeks to advance discussions prior to raising topics at the Board of Directors.</li> <li>• Held various training sessions and study meetings for the directors regarding corporate compliance and crisis management, DX, harassment, ESG, generative AI, and other topics.</li> <li>• Reported items discussed by the Sustainability Committee to the Board of Directors. Discussed the reidentification of materiality at meetings that included the outside directors and Group company executives.</li> <li>• In a press release dated March 25, 2024, announced an increase in the number of internal directors at the holding company following the discontinuation of the concurrently held MIRARTH HOLDINGS and Takara Leben representative director position.</li> </ul>



<b>Evaluation results for FY2023</b>	<p>Although the results of the multiple-choice questionnaire improved overall compared with the previous year, the evaluation showed a slight lack of effectiveness in terms of the central supervisory function of the entire Group as a responsibility for the Board of Directors of a holding company, and regarding Group governance system improvements. We expect to see stronger Group governance going forward following changes made for the purpose of strengthening action with an awareness of the entire Group, including director reassignments, organizational updates, and Group company renaming. These changes were announced in press releases dated March 25 and April 1, 2024.</p> <ul style="list-style-type: none"> <li>• We are aware of an issue in that debates regarding Group governance, the most important role of the Board of Directors of a holding company, were extremely limited.</li> <li>• We received opinions requesting more internal directors with greater expertise in the real estate and energy businesses.</li> <li>• We received opinions regarding issues with discussion lengths, the timing of advanced provision of materials, material contents, setting of agenda items that require discussion by the Board of Directors of a holdings company, and meeting minutes.</li> <li>• Overall, the evaluation by the executives regarding the discussion details at the Board of Directors improved compared with the previous year.</li> <li>• We received opinions praising discussions on regularly revising the business portfolio for the entire Group.</li> </ul>
<b>Initiatives for FY2024</b>	<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. As a result, the Company will, as a new initiative, revise agendas and update regulations in order to establish a system through which the Board of Directors better contributes to management. Moreover, the Company will revise the collection and distribution methods for Board of Directors meeting materials, provide materials in a timely and speedy manner, and monitor each Company on a regular basis as a means of Group company risk management. We will continue to consider issues as necessary and continue our efforts to improve the functioning of the Board of Directors.</p>

## Executive Compensation

### Basic policy

When determining the amount of remuneration, etc., for executives, we aim to ensure that compensation effectively functions as a reward for expanding business performance and enhancing corporate value in order for us to achieve sustainable growth. As for the level of remuneration, with the aim of linking remuneration to a sound, efficient, and stable going concern, we set a level commensurate with the Company's business performance based on comparisons with other companies in the same industry and companies of a similar size. Moreover, we determine the specific amount of remuneration based on the degree to which each director has contributed to business performance, etc.

The Board of Directors held on December 25, 2023, resolved the policy for determining the details of compensation for directors on an individual basis.

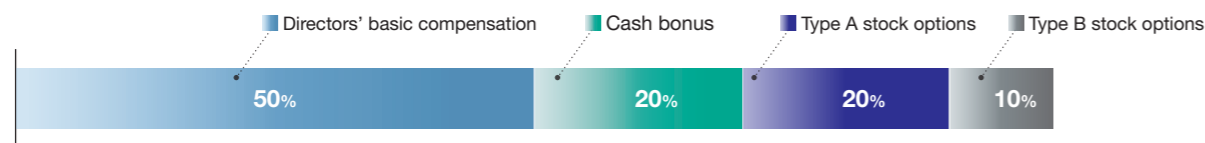
The specific basic policy regarding executive directors' compensation is as follows.

- 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)	Based on a basic compensation table that is prepared based on a comprehensive consideration of industry and other company levels, as well as employee salary levels, depending on the position and responsibilities. The monthly compensation refers to the basic compensation equally spread over 12 months.
Performance-based compensation (stock compensation-type stock options)	Consists of cash bonuses and stock options in the form of equity securities, where payment or non-payment is determined according to the degree of achievement of performance targets and ESG targets for the relevant period. In addition, each fiscal year the Company evaluates the following five assessment items ("P.C.F.P.A." assessments) on a 5-point scale in accordance with the degree of achievement, and determines the amount of compensation following consultation with the Compensation Committee, a voluntary advisory committee. <ul style="list-style-type: none"> <li>• Performance: results in the division for which each director is responsible</li> <li>• Compliance: legal compliance, morals, etc.</li> <li>• Foresight: the ability to assess and analyze the situation, the ability to prepare business plans</li> <li>• Physical: the ability to promote business</li> <li>• Affinity: the ability to build relationships</li> </ul>

### Composition of Directors' compensation



### Total amount of compensation of directors and corporate auditors (as of March 31, 2024)

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)	272 (42)	170 (42)	60 (-)	41 (-)	-	6 (4)
Auditors (of which, outside auditors)	20 (20)	20 (20)	-	-	-	2 (2)
Total (of which, outside directors and outside auditors)	293 (63)	191 (63)	60 (-)	41 (-)	-	8 (6)

(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 two directors.

## Board of Directors, Auditors and Executive Officers (As of June 2024)

### Directors



**Kazuichi Shimada**  
Representative Director, Group CEO, Group COO and President Executive Officer

May 1987 Joined Takara Komuten Co., Ltd. (currently MIRARTH HOLDINGS, Inc.)  
Jun. 2006 Representative Director, 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 (present)  
Jun. 2024 Director and Vice Chairman, Takara Leben Co., Ltd. (present) Outside Director, Jutaku Sangyo Shinyo Hoshu Co., Ltd. (present)



**Daisuke Nakamura**  
Director, Group CFO and Managing Executive Officer (in charge of Group Finance Department and Group Accounting Department)

Apr. 1991 Joined The Taiyo-Kobe Bank Ltd. (currently Sumitomo Mitsui Banking Corporation)  
Apr. 2020 Executive Officer and Manager of 1st Sales Department, Kanda Corporate Business Office, Sumitomo Mitsui Banking Corporation  
Apr. 2021 Executive Officer and General Manager of east Japan 1st Corporate Sales Department, Sumitomo Mitsui Banking Corporation  
Apr. 2023 Managing Executive Officer and Deputy Responsible Officer of Wholesale Division, Sumitomo Mitsui Banking Corporation Managing Executive Officer and Assistant General Manager of Wholesale Business Division, Sumitomo Mitsui Financial Group Inc.  
May 2024 Managing Executive Officer Senior Managing Executive Officer, Takara Leben Co., Ltd.  
Jun. 2024 Director and Senior Managing Executive Officer, Takara Leben Co., Ltd. (present) Director, Group CFO and Managing Executive Officer (present)



**Shoichi Akisawa**  
Director (in charge of Real Estate Segment)

Apr. 1988 Joined Towa Real Estate (currently Mitsubishi Estate Residence Co., Ltd.)  
May 1997 Representative Director, Eitec Co., Ltd.  
Jan. 2002 Director, Intas Co., Ltd.  
Feb. 2004 Executive Officer, Pacific Management Co., Ltd. (currently Pacific Holdings, Inc.)  
Jun. 2008 Representative Director, Pacific Realty Co., Ltd. (currently Pacific Properties Investment, Inc.)  
Jan. 2011 General Manager of Strategic Business Department, Star Mica Co., Ltd.  
Dec. 2014 Representative Director, Star Mica Co., Ltd.  
Jun. 2016 Representative Director, Rising Force Co., Ltd. (currently Daitokentaku Asset Solution Co., Ltd.)  
Jun. 2019 Director, Executive Officer and General Manager of Investment Development Division, Takara Leben Co., Ltd. (currently MIRARTH HOLDINGS, Inc.)  
Oct. 2022 Executive Officer Representative Director, COO and Vice President Executive Officer, Takara Leben Co., Ltd.  
Jun. 2024 Representative Director and President Executive Officer, Takara Leben Co., Ltd. (present) Director (present)



**Keiko Yamahira**  
Director (Outside Director)

Apr. 1983 Joined Kubota House Co. Ltd. (currently Sanyo Homes Corporation)  
Jun. 2011 Director and Managing Executive Officer, Sanyo Homes Corporation  
Jun. 2012 Director, Sanyo Reform Co., Ltd. (concurrent)  
Jun. 2013 Director and Senior Managing Executive Officer, Sanyo Homes Corporation  
Jun. 2015 Director and President Executive Officer, Sanyo Homes Corporation  
Apr. 2017 Representative Director and Chairman, Sanyo Homes Community Corporation  
Jun. 2019 Outside Director, Joshin Denki Co., Ltd. (present) Outside Director, Fujitec Co., Ltd.  
Jun. 2021 Outside Director, Takara Leben Co., Ltd. (currently MIRARTH HOLDINGS, Inc.) (present)  
Jun. 2022 Outside Director, Shinagawa Refractories Co., Ltd. (present)  
Jun. 2024 Outside Director, Maruichi Steel Tube Ltd. (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.  
Jun. 2022 Outside Director, Takara Leben Co., Ltd. (currently MIRARTH HOLDINGS, Inc.) (present)  
May 2023 Senior Executive Director, Japan Contractors Association of Traffic Signs and Lane Markings (present)  
Jun. 2023 Auditor, UTMS Society of Japan (part-time) (present)



**Kaname Uchida**  
Director (Outside Director)

Apr. 1978 Joined Bureau of Public Roads, Ministry of Construction (currently Ministry of Land, Infrastructure, Transport and Tourism)  
Jul. 2004 Director of Policy Division, Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism (MLIT)  
Jul. 2007 Deputy Director-General, Minister's Secretariat (Policy Bureau), MLIT  
Jul. 2009 Deputy Director-General, Minister's Secretariat, MLIT  
Aug. 2010 Director-General, Land and Water Bureau, MLIT  
Jul. 2011 Director-General, Land Economy and Construction Industries Bureau, MLIT  
Jul. 2012 Vice-chairman, the Urban Renaissance Agency  
Jun. 2014 Councillor, Cabinet Secretariat and Director-General, Regional Revitalization Bureau, Cabinet Secretariat  
Jan. 2015 Councillor, Cabinet Secretariat and Director-General, Regional Revitalization, Cabinet Secretariat (Councillor, Cabinet Secretariat and Director of the Promotion Office for Industrial Heritage Registration as a World Heritage Site, Cabinet Secretariat) Also Director, Regional Revitalization Promotion Office, Cabinet Office  
Jul. 2015 Resigned  
Nov. 2015 Vice Chairman and Managing Director, The Real Estate Companies Association of Japan  
Apr. 2017 Visiting professor at Reitaku University (present)  
Jul. 2023 Advisor, The Real Estate Companies Association of Japan (present)  
Jul. 2023 Chairman, Land Institute of Japan (present)  
Jun. 2024 Outside Director (present)



**Yuko Kanamaru**  
Director (Outside Director)

Oct. 2006 Registered as lawyer with the Tokyo Bar Association Joined Mori Hamada & Matsumoto  
May 2012 Completed Law School, University of California, Los Angeles  
Aug. 2012 Joined Rajah & Tann Asia (Singapore)  
Aug. 2013 Seconded to Sumitomo Electric Industries, Ltd.  
Jan. 2018 Partner lawyer, Mori Hamada & Matsumoto  
Apr. 2018 Part-time lecturer, Keio University Law School (International Commercial Arbitration)  
Jul. 2022 Outside Auditor, Aculy Pharma, Inc. (present)  
Jan. 2023 Partner lawyer, Gaien Partners (present)  
Feb. 2023 Outside Auditor, Bleaf Co., Ltd. (present)  
Jun. 2023 Outside Director (Audit and Supervisory Committee member), AI Inc. (present)  
Jul. 2023 Outside Director (Audit and Supervisory Committee member), HEROZ, Inc. (present)  
Jun. 2024 Outside Director (present)

### Auditors

**Yuko Miura**  
Outside Full-time Auditor

**Masaki Kimura**  
Outside Full-time Auditor

**Akihito Watanabe**  
Outside Part-time Auditor

### Executive Officers

**Mamoru Takahashi**  
General Manager of Group Corporate Planning Department

**Mika Takaara**  
General Manager of Group Business Leading Office

**Kentaro Taniguchi**

**Go Yamaji**  
Group CRO, General Manager of Group Human Resources Strategy Department

# Compliance

## Compliance Basic Policy

In the MIRARTH HOLDINGS Group, in order to fulfill corporate social responsibility, each organization as well as its officers and employees are required to comply with laws, social norms, and separately established ethical guidelines, and establish a compliance basic policy that aims to become a norm in society.

## Management System

The MIRARTH HOLDINGS Group established a Compliance Committee to promote and ensure compliance throughout the Group. The Compliance Committee determines the Company's compliance-related policies and measures, and when it receives a report of a compliance violation or potential violation, it directs and investigates. A system is in place to monitor the status of compliance at each Group company through the establishment of a Harassment Compliance Helpline and collaboration between the Compliance Committee and the Group Internal Audit Office.

## Internal Whistle-Blowing System (Helpline)

The Group established an internal whistle-blowing system (helpline) as a means of reporting or consulting on issues such as harassment and compliance violations. The previous whistle-blowing system was reviewed in August 2018, and we outsourced inquiry responses to a law firm with which the Group has not conducted business in the past to serve as an outside consultation desk. We also established an independent internal consultation desk that directs inquiries to the corporate auditors. In addition, we reinforced the protection of reporting

individuals, the subjects of reports, individuals cooperating with investigations, and others by establishing a mechanism to prevent access to information concerning consultations and reports by involved directors. We are working to strengthen compliance management through the early detection and rectification of improper conduct and other issues.



## Personal Information Protection

The Group considers the protection of personal information to be part of its CSR. We have established a management system for the appropriate protection of personal information. To ensure that all employees handle valuable personal information appropriately while carrying out their business duties, we have created a personal information protection manual, distribute a personal information usage and protection handbook, and work to ensure that all employees are thoroughly aware of basic knowledge and rules. We also provide internal training led by instructors that are legal experts.

**Privacy Mark System Contributing Businesses**  
 Leben Community was granted the Privacy Mark in January 2008 and has been working on and updating its management and operation of personal information. In January 2020, we received a letter of appreciation from the Japan Information Processing Development Corporation (JIPDEC) for our efforts over the years to maintain and improve our own personal information protection management system (PMS) and for our contribution to the promotion of the Privacy Mark System. The periodic renewal audit was completed in January 2024.

## Thorough Compliance Initiatives

### Compliance Handbook

In August 2023, the MIRARTH HOLDINGS Group created the "Compliance Handbook" to establish guidelines of conduct to be observed by Group members. The handbook provides essential knowledge and ideas for choosing appropriate actions to solve problems in the various situations one faces during daily business activities. Our goal is for the information provided to be fully understood and followed throughout the Group.

### Dealing with Anti-Social Forces

The 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 thorough in 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

## Risk Management Basic Policy

The MIRARTH HOLDINGS Group identifies and manages each risk based on its basic risk management policy of ensuring the safety of customers, partners, officers, employees, and their families, fulfilling our social responsibility, harmonizing with the global environment, sustaining sustainable business, and enhancing corporate value. In addition, the Risk Management Committee has been established as a promotion structure to ensure thorough risk management throughout the Group.

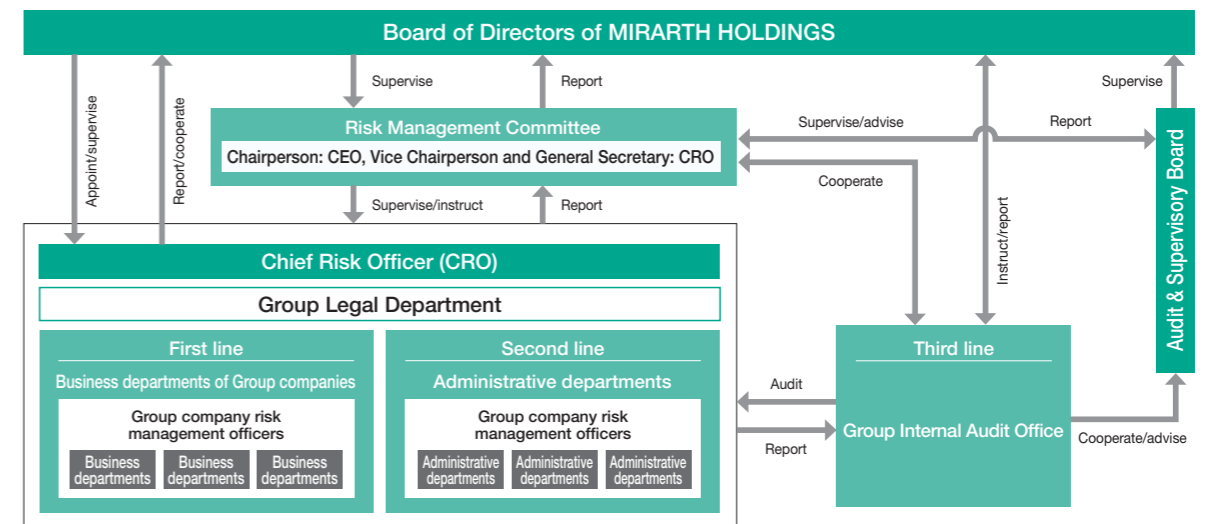
## Risk Management System

In order to support the stable and sustainable growth of the Group, we actively and strategically implement risk management by holding regular Risk Management Committee meetings to oversee risks throughout the Group.

In addition to the regular scheduled quarterly meetings, the Risk Management Committee holds meetings as needed to respond to changes in industry and marketplace changes. This ensures swift decision-making and the appropriate response to risks.

As members of the Risk Management Committee include all Directors and Auditing officers, including the Representative Director, Group CFO, Group CRO, and Outside officers, risk management is closely tied to the formulation and implementation of management strategies. With the addition of the heads of the Internal Audit Office and the legal department, the Committee examines and makes decisions from a comprehensive risk-management perspective.

### Risk Management Structure



## Strengthening the Business Continuity Plan (BCP)

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.

MIRARTH HOLDINGS has established a Group-wide information aggregation policy to ensure prompt and accurate

information aggregation and decision-making should there be a risk event such as a major earthquake or other large-scale natural disaster, an infectious disease outbreak, or man-made disaster (war, terrorism, accident, etc.). In the event of a disaster, it is essential to gather information quickly and accurately, and to make decisions quickly based on an assessment of the damage, the safety and welfare of the employees, and the impact of the emergency on the Group's business. We have accordingly established specific rules regarding reporting standards and information aggregation, and are working to ensure that all group companies are fully aware of these standards and rules as part of our effort to quickly establish a business continuity system.

## Eleven-Year Financial/Non-Financial Summary

### Financial Data

(Millions of yen)

	2014.3	2015.3	2016.3	2017.3	2018.3	2019.3	2020.3	2021.3	2022.3	2023.3	2024.3
Net sales	71,963	76,956	76,268	103,599	110,851	132,005	168,493	148,397	162,744	153,472	185,194
Gross profit	18,199	18,311	17,835	21,869	25,779	26,886	30,516	29,928	33,117	31,708	40,590
Operating income	9,798	9,257	7,563	10,349	12,597	10,046	11,901	10,789	11,877	7,030	15,457
Ordinary income	9,181	8,540	6,708	9,496	11,792	9,027	11,201	9,933	10,258	5,033	12,984
Net income attributable to owners of parent	5,869	5,718	4,308	6,107	7,367	6,426	5,361	4,693	6,215	4,584	8,178
Cash flows from operating activities	22,996	(8,155)	2,428	22,644	9,869	22,428	47,708	26,330	23,189	(722)	36,777
Cash flows from investing activities	(4,567)	(7,998)	(19,816)	(27,540)	(34,463)	(34,347)	(32,136)	(25,090)	(27,871)	(46,354)	(26,329)
Cash flows from financing activities	(366)	6,314	19,663	6,129	24,012	3,427	(1,608)	2,654	(1,132)	61,531	(15,464)
Capital expenditure	4,163	8,095	22,756	20,814	30,302	29,902	28,841	25,666	25,400	20,837	26,641
Depreciation and amortization	437	717	1,192	2,397	1,943	2,447	2,031	1,803	2,838	3,020	5,370
Total assets	95,891	101,738	129,744	139,874	177,588	184,893	195,448	204,315	223,473	341,669	337,447
Current assets	72,524	67,319	75,753	86,585	102,931	98,512	115,314	125,686	142,625	188,728	191,937
Fixed assets	23,366	34,400	53,945	53,237	74,618	86,286	79,874	78,531	80,792	152,884	145,441
Net assets	27,138	31,189	33,677	36,792	42,907	47,734	51,139	54,632	59,601	65,142	71,669
Interest-bearing debt	37,765	48,812	70,396	79,864	106,663	111,821	114,036	118,570	127,969	227,385	210,462
<b>Per Share Information:</b>											
Net income per share (Yen)	50.64	50.61	38.99	56.14	68.12	59.33	49.45	43.22	57.10	41.90	74.39
Net assets per share (Yen)	237.53	279.11	304.71	339.29	394.90	436.68	467.05	498.78	542.04	558.95	596.90
Dividend per share (Yen)	5.0	6.0	13.0	15.0	16.0	16.0	19.0	14.0	18.0	22.0	24.0
<b>Operating Indices:</b>											
ROE (%)	22.9	19.7	13.3	17.4	18.6	14.3	10.9	9.0	11.0	7.6	12.9
ROA (%)	6.9	5.8	3.7	4.5	4.6	3.5	2.8	2.3	2.9	1.6	2.4
Operating income margin (%)	13.6	12.0	9.9	10.0	11.4	7.6	7.1	7.3	7.3	4.6	8.3
LTV (%)	39.4	48.0	54.3	57.1	60.1	60.5	58.3	58.0	57.3	66.6	62.4
D/E ratio (Times)	1.4	1.6	2.1	2.2	2.5	2.3	2.2	2.2	2.1	3.5	2.9
Debt ratio (Times)	2.5	2.3	2.9	2.8	3.1	2.9	2.8	2.7	2.7	4.2	3.7
Current ratio (%)	192.3	193.4	176.7	171.5	182.0	168.3	175.7	225.9	190.1	116.4	156.6
Inventory turnover (Times/Year)	2.1	2.2	2.0	2.3	1.9	1.9	2.4	2.1	2.0	1.4	1.5
Equity ratio (%)	28.2	30.6	25.8	26.2	24.1	25.6	25.9	26.5	26.5	18.0	19.5
Dividend payout ratio (%)	9.9	11.9	33.3	26.7	23.5	27.0	38.4	32.4	31.5	52.5	32.3

\* On July 1, 2013, the Company split its shares at a ratio of 1:4 for one common stock. Dividend per share for FY2013 and FY2014 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

	2014.3	2015.3	2016.3	2017.3	2018.3	2019.3	2020.3	2021.3	2022.3	2023.3	2024.3
Number of employees	437	551	613	690	789	892	973	1,061	1,200	1,293	1,377
Male	348	426	455	496	547	618	675	739	815	867	907
Female	89	125	158	194	242	274	298	322	385	426	470
Percentage of female managers (%)*	11.5	9.4	8.2	9.2	8.1	8.2	9.9	10.3	9.8	10.6	11.3
Employment rate of persons with disabilities (%)	0.41	0.34	0.94	1.20	1.09	2.19	1.7	1.4	1.5	1.5	1.8

\* The above figures were calculated on a non-consolidated basis (Takara Leben only) for FY2013 to FY2018 and on a consolidated basis for FY2019 to FY2023.

## ESG Data

### Environment

#### Greenhouse gas (CO<sub>2</sub>) emissions

(t-CO<sub>2</sub>)

Category	Details of Activities	FY2020	FY2021	FY2022	FY2023	
Scope 1	Direct emissions from the business itself	374	380	609	540	
Scope 2 Market-based standard Location-based standard in ( )	Indirect emissions from electricity and other sources from other companies	1,584 (1,674)	1,696 (1,719)	2,984 (3,026)	1,651 (1,779)	
Subtotal (Scope 1 + Scope 2)		1,958	2,076	3,593	2,191	
Scope 3	Category 1	Purchased goods and services	335,928	298,820	291,900	306,544
	Category 2	Capital goods	69,384	28,492	32,092	41,291
	Category 3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	300	327	576	701
	Category 4	Upstream transportation and distribution	—	—	—	—
	Category 5	Waste generated in operations	2,596	2,744	2,595	3,490
	Category 6	Business travel	141	156	169	180
	Category 7	Employee commuting	259	287	310	330
	Category 8	Upstream leased assets	—	—	—	—
	Category 9	Downstream transportation and distribution	—	—	—	—
	Category 10	Processing of sold products	—	—	—	—
	Category 11	Use of sold products	301,745	321,303	271,413	222,241
	Category 12	End-of-life treatment of sold products	4,892	4,517	3,946	4,767
	Category 13	Downstream leased assets	13,194	10,984	13,315	7,534
	Category 14	Franchises	—	—	—	—
	Category 15	Investments	—	—	—	—
Subtotal (Scope 3)		728,438	667,629	616,316	587,078	
<b>Total (Scope 1 + Scope 2 + Scope 3)</b>		<b>730,396</b>	<b>669,705</b>	<b>619,909</b>	<b>589,269</b>	

\* The scope of environmental data calculation covers the MIRARTH HOLDINGS Group (10 consolidated companies).

\* The period covered is FY2020 to FY2023 (April 1, 2020 to March 31, 2024).

\* Scope 1 covers emissions from fuel combustion (gas, kerosene, gasoline), while Scope 2 accounts for electricity and chilled water usage.

\* From FY2022, Scope 1 and 2 includes additional aggregation targets due to the expansion of boundaries for electricity, gas, and other utilities.

\* Regarding FY2023 value for Scope 2, the CO<sub>2</sub> emissions reflect the use of renewable energy (including non-fossil certificates under the FIT scheme).

\* For Scope 3, starting from FY2023, some calculation methods have been revised to improve accuracy. Additionally, values prior to FY2022 include some estimates.

\* Our Group excludes greenhouse gases other than CO<sub>2</sub> (such as fluorocarbons) from the calculation and reporting due to their minimal quantities, and only reports CO<sub>2</sub>.

#### Energy consumption

(kL of crude oil equivalent)

Energy Type	FY2020	FY2021	FY2022	FY2023
Electricity	915.2	1,020.9	1,774.7	1,067.1
City gas	3.2	0.5	61.5	75.0
LP gas	0.0	0.4	55.3	26.3
Gasoline	140.8	145.2	136.8	118.1
Kerosene	0.7	0.3	0.1	0.0
Light oil	0.0	0.0	3.0	2.6
Cold water	1.2	0.4	0.5	0.5
<b>Total</b>	<b>1,061.1</b>	<b>1,167.7</b>	<b>2,031.9</b>	<b>1,289.6</b>

\* The scope and period covered by the energy data are the same as for CO<sub>2</sub>.

\* Electricity use is based on the use of renewable energy (including FIT non-fossil certificates).

\* The values for FY2023 are provisional and subject to change.

\* Crude oil conversion is a measure to compare the size of different energy sources, such as electricity and gas.

### Social

#### MIRARTH HOLDINGS Group

		FY2019	FY2020	FY2021	FY2022	FY2023
Number of employees (persons)	Male	675	739	815	867	907
	Female	298	322	385	426	470
	<b>Total</b>	<b>973</b>	<b>1,061</b>	<b>1,200</b>	<b>1,293</b>	<b>1,377</b>
Average age (age)	Male	38.2	38.0	39.0	38.9	38.7
	Female	33.5	33.9	34.7	35.1	34.8
	<b>Total</b>	<b>36.7</b>	<b>36.7</b>	<b>37.6</b>	<b>37.7</b>	<b>37.3</b>
Average years of service (years)	Male	4.8	4.9	4.8	5.1	5.4
	Female	4.2	4.0	4.1	4.4	4.5
	<b>Total</b>	<b>4.6</b>	<b>4.6</b>	<b>4.6</b>	<b>4.6</b>	<b>5.1</b>
Number of managers (persons)	Male	218	262	266	304	370
	Female	24	30	29	36	47
Management ratios (%)	Male	90.1	89.7	90.2	89.4	88.7
	Female	9.9	10.3	9.8	10.6	11.3
Employment rate of persons with disabilities (%)		1.7	1.4	1.5	1.5	1.8
Rate of access to leisure (%)* <sup>1</sup>	Male	53.5	54.0	60.0	65.1	69.8
	Female	70.7	70.0	70.1	78.6	79.4
	<b>Total</b>	<b>57.5</b>	<b>57.6</b>	<b>62.5</b>	<b>68.8</b>	<b>72.8</b>
Number of subjects	Male	26	35	26	37	68
	Female	8	21	27	17	29
Childcare leave	Male	0	6	6	13	27
	Female	8	21	26	17	29
Acquisition rate (%)	Male	0	17.1	23.1	35.1	39.7
	Female	100	100	96.3	100	100
Stress check examination rate (%)* <sup>2</sup>		89.1	88.8	84.8	89.3	89.8
Training hours per person* <sup>2</sup>		9.3	9.0	10.0	15.9	21.2
Training cost per person (yen)* <sup>2</sup>		3,126	10,883	13,578	26,383	36,401
Happiness survey		—	—	—	4.51	4.7

\*<sup>1</sup> The data were compiled for companies that grant annual paid leave all at once.

\*<sup>2</sup> Only companies that have implemented the program are counted.

### Governance

	As of June 2020	As of June 2021	As of June 2022*	As of June 2023	As of June 2024
Total number of directors (persons)	13	12	12	6	7
Number of outside directors (persons)	4	4	4	4	4
Ratio of outside directors	30.8%	33.3%	33.3%	66.7%	57.1%
Number of female directors (persons)	1	3	3	2	2
Ratio of female directors	7.7%	25.0%	25.0%	33.3%	28.6%

\* Transferred to holding company structure as of October 1, 2022

## Corporate Data

**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

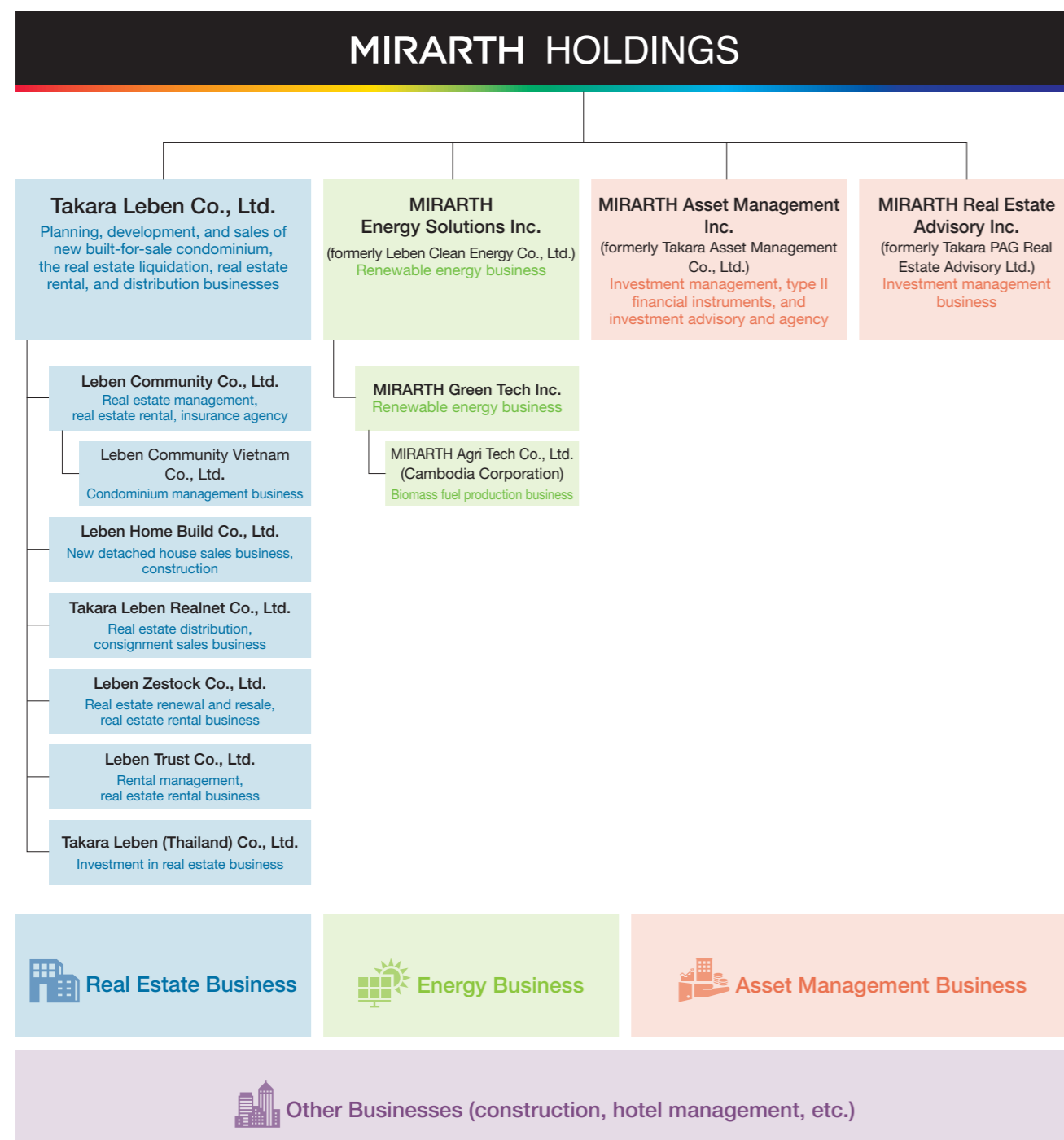
**Capital stock:** 9,056 million yen  
(As of July 31, 2024)

**Net sales:** 185,194 million yen  
(FY2023, consolidated)

**No. of employees:** 1,377 (Male, 907; Female, 470)  
(As of March 31, 2024, consolidated)

**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, 2024): 121,000,000 shares

**Trading Unit of Shares:** 100 shares

**Number of Shareholders:**  
(As of March 31, 2024): 58,520

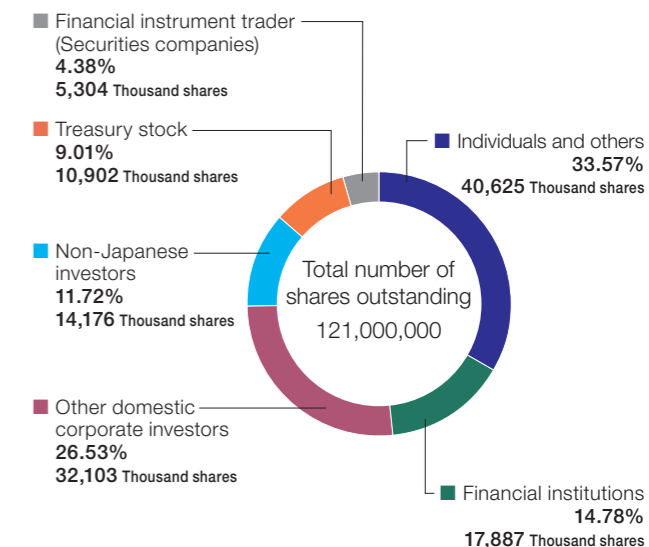
## Major Shareholders (Top 10)

(As of March 31, 2024)

Name of shareholder	Shares (Thousands)	Shareholding ratio (%)
General Incorporated Association Murayama Asset Management	25,633	21.18
The Master Trust Bank of Japan, Ltd. (for trust account)	11,141	9.21
MIRARTH HOLDINGS, Inc.	10,902	9.01
Custody Bank of Japan, Ltd. (for trust account)	2,975	2.46
Morgan Stanley MUFG Securities Co., Ltd.	2,163	1.79
Murayama Kikaku Co., Ltd.	2,000	1.65
RUDEN HOLDINGS Co., Ltd.	1,724	1.43
JPMorgan Securities Japan Co., Ltd.	1,527	1.26
MIRARTH HOLDINGS Business Partner Shareholding Association	1,452	1.20
Sumitomo Mitsui Banking Corporation	1,184	0.98

## Number of Shares Held by Investor Segment

(As of March 31, 2024)



## Declaration of Authenticity

### Publication of the MIRARTH HOLDINGS, Inc. Integrated Report 2024



**Kensuke Suzuki**

IR Officer

MIRARTH HOLDINGS has published an integrated report since 2022 as a tool for facilitating dialogue with our internal and external stakeholders.

As the third such report, MIRARTH HOLDINGS, Inc. Integrated Report 2024 illustrates the Group's value creation story for evolving into a "future environment design company." For this reason, it covers a wide range of topics, from progress during the third year of the Medium-Term Management Plan to the mainstay Real Estate Business, transformation in the business model through growth of the Energy Business, and the Asset Management Business, which leverages knowledge established through real estate. It also includes our human resource strategies, and initiatives to solve environmental, regional, and social issues.

This Report was prepared through repeated discussions with the related departments. As the officer responsible for overseeing its preparation, I hereby attest that this process was appropriate and the information included herein is accurate.

I hope that this report helps to provide a better understanding among our shareholders, investors, and other stakeholders as to our initiatives for realizing the Group's purpose, and for generating corporate value in an enduring manner. Furthermore, I humbly ask for your unreserved opinions and requests so that we may improve our disclosure efforts and prepare a more thorough integrated report in the future. Thank you.

**MIRARTH**  
HOLDINGS, Inc.

**MIRARTH HOLDINGS, Inc.**

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

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