



May 15, 2023

Dear Sir

Company Name MIRARTH HOLDINGS, Inc.  
Representative Representative Director  
K a z u i c h i S h i m a d a  
(Security code 8897 TSE Prime)  
I n q u i r i e s General Manager, IR Office  
K e n s u k e S u z u k i  
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### Medium-Term Management Plan Revisions and Medium-to Long-Term Energy Business Strategic Formulation Notice

At Board of Directors held today, we have decided to revise the numerical targets and management indicators of our medium-term management plan for the period from Year ending March 31, 2022 announced on May 14, 2021 to March 2025 as follows. After revising our targets, we will announce our medium-to long-term Energy Business initiatives to realize our goal of "making people and the planet happy with our ability to design a sustainable environment."

#### Notation

#### 1. Revisions to Medium-Term Management Plan Targets

##### (1) Revision of numerical targets

[Previously announced figures]

(Millions of yen)

	Year ended March 2024 (52nd fiscal period)	Year ended March 2025 (53rd fiscal period)
N e t s a l e s	187,100	203,700
O p e r a t i n g i n c o m e	13,200	15,700
O r d i n a r y i n c o m e	12,500	15,000
Net Income Attributable to Owners of the Parent	8,500	10,000

[Revised figures]

(Millions of yen)

	Year ended March 2024 (52nd fiscal period)	Year ended March 2025 (53rd fiscal period)
N e t s a l e s	188,710	200,000
Operating income	13,700	17,000
Ordinary income	12,700	16,000
N e t I n c o m e Attributable to Owners of the Parent	8,500	10,700

## (2) Revision of key management indicators

	Before revision	After revision
Equity ratio (%)	30% or more ※March 2025 Term end	20% or more ※March 2025 Term end
L T V ( % )	Less than 60%	Less than 65%
D/E Ratio (Times)	Less than 2.5 times	Less than 3.0 times
R O E ( % )	13% or more ※From the year ended March 2024	No change

## 2. Reason for the amendment

Under our current medium-term management plan, we have pursued our business in a unified manner based on the 7 pillars of "further expansion our core businesses," "maximizing group synergies," "optimizing our business portfolio," "establishing a stable financial base," "improving productivity and creating new services by promoting DX," "proactively responding to ESG," and "building a work environment that fosters human resources and is motivated." Real Estate Business, our core business, has progressed as initially planned. However, in Energy Business, due to the impact of becoming a consolidated subsidiary following the implementation of a tender offer for Takara Leben Infrastructure Fund Inc., we cancelled the planned sale of power generation facilities and incurred initial costs related to the tender offer, which resulted in a major change in our earnings structure. Accordingly, we will make revisions to the earnings forecasts and key management indicators in the medium-term management plan announced in May 2021.

With regard to the projected results for March 2024, there was a negative impact due to the public offer. Since Real Estate Business is progressing favorably, the final benefit will be as planned at the beginning. On the other hand, the forecast for the fiscal year ending March 2025 is expected to exceed the initial forecast due to the transition of Energy Business to a phase of stable earnings.

### 3. Formulation of Medium-to Long-Term Energy Strategy

In October 2022, we transitioned to a holding company structure and renamed ourselves "MIRARTH HOLDINGS, Inc." and formulated a "par-pass." As a growth strategy that promotes sustainability management centered on Perpass and expands the earning power of individual businesses, in addition to stable growth in Real Estate Business, our core business, we will establish a foundation for medium-to long-term growth through Energy Business as the second pillar.

For details of this material, please refer to the attached material.

Above

# MIRARTH

~Medium-to Long-Term Energy Business Strategy~

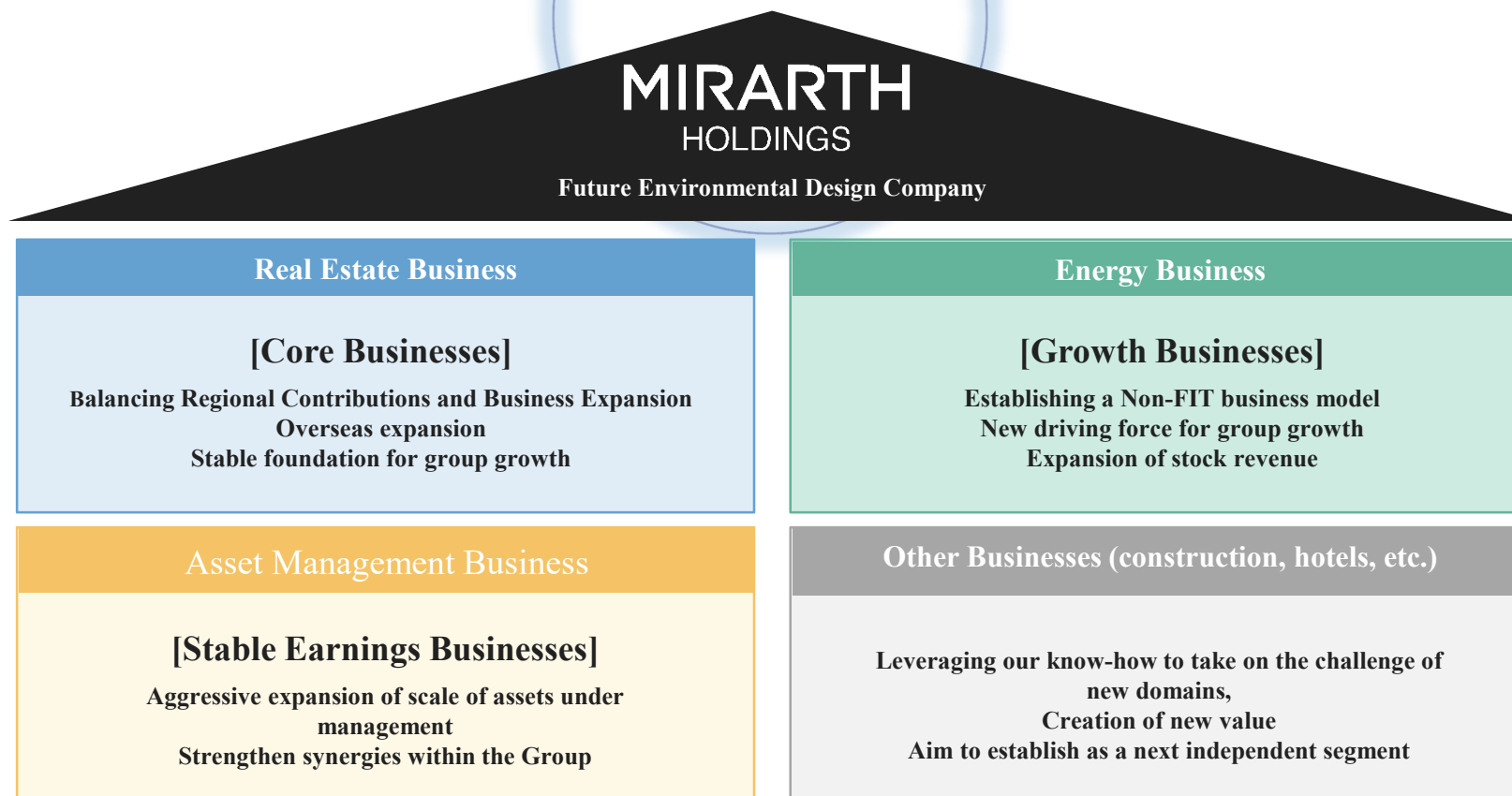


# Promotion of Purpose Management

- After restructuring into 4 business segments, shifted to a holding structure in October 2022.
- Promote sustainability management centered on new growth and par paths through business structure innovation, and increase the earning power of each business to become a future environmental design company.

Raison d'etre  
**Our Purpose**

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



# Evolve business portfolio (Operating income percentage /EBITDA)

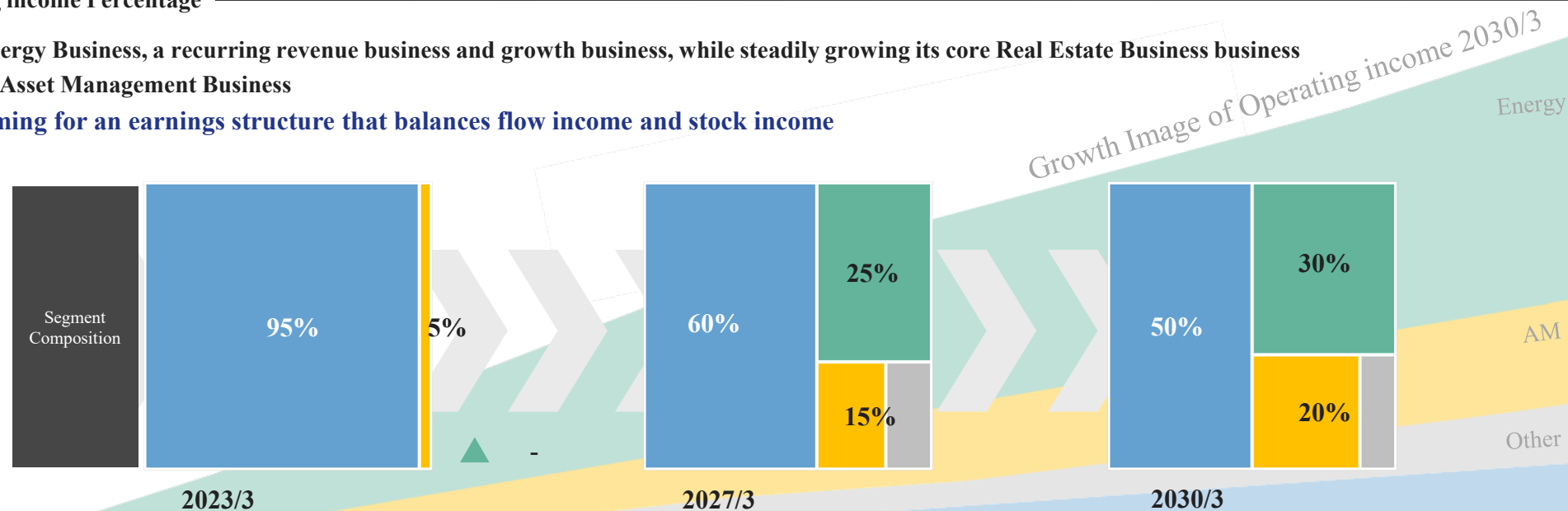
Aiming to increase Operating income by expanding Energy Business while steadily growing Real Estate Business

## Operating income Percentage

With Energy Business, a recurring revenue business and growth business, while steadily growing its core Real Estate Business business

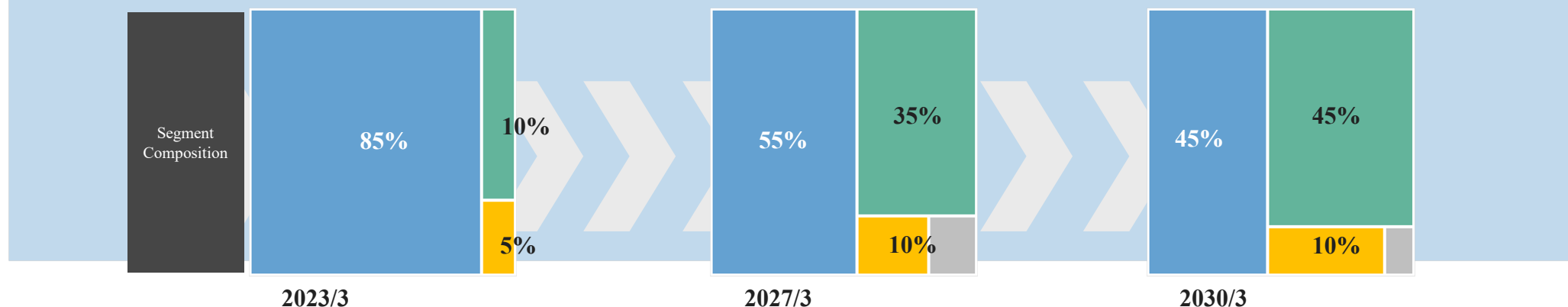
Expand Asset Management Business

➔ Aiming for an earnings structure that balances flow income and stock income



## EBITDA percentage

Aim for Real Estate Business : Energy Business = 1:1 on EBITDA ※ basis in the year ended March 31, 2030



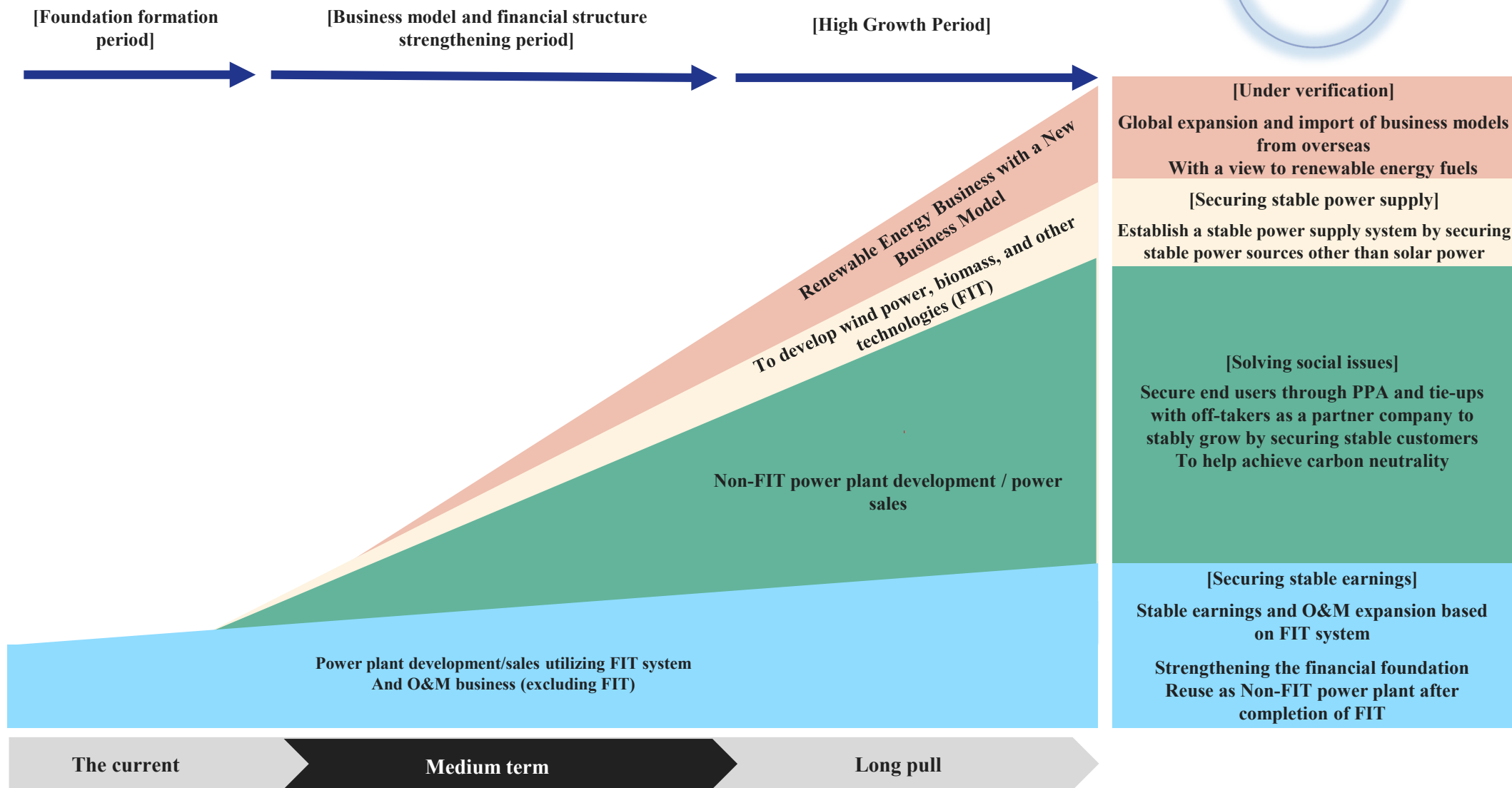
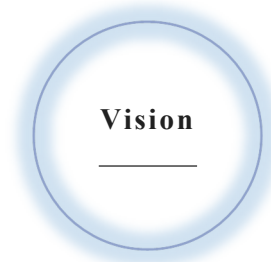
Real Estate Business Energy Business Asset Management Business Other Businesses

※ EBITDA= Operating income + Depreciation and amortization

# Growth Roadmap in Energy Business

**Energy Business is the second main business after Real Estate Business**

**Focus on Non-FIT businesses**

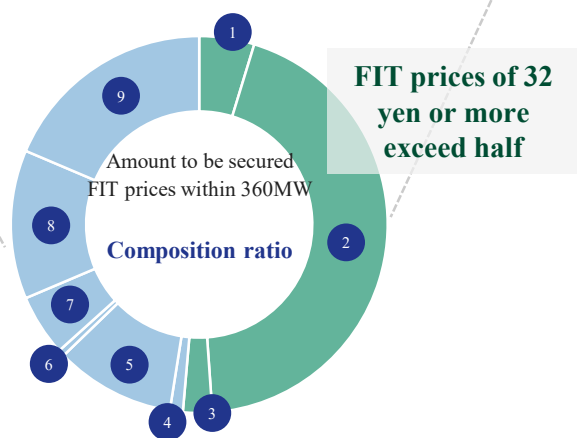
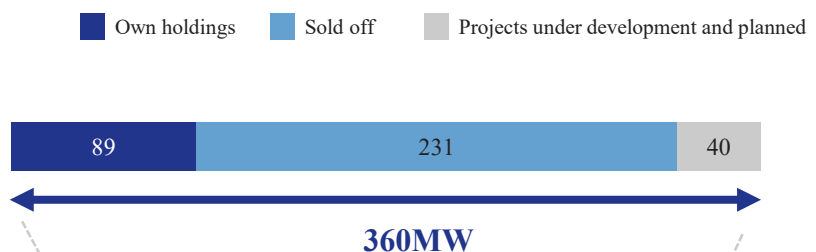




# Our Energy Business Performance

- Achieved the cumulative 360MW in power generation as outlined in the medium-term management plan ahead of schedule
- Aiming for Regional Revitalization through PPA Expansion as a Business Model for "Exit FIT"

## Power Generation Scale (Cumulative)



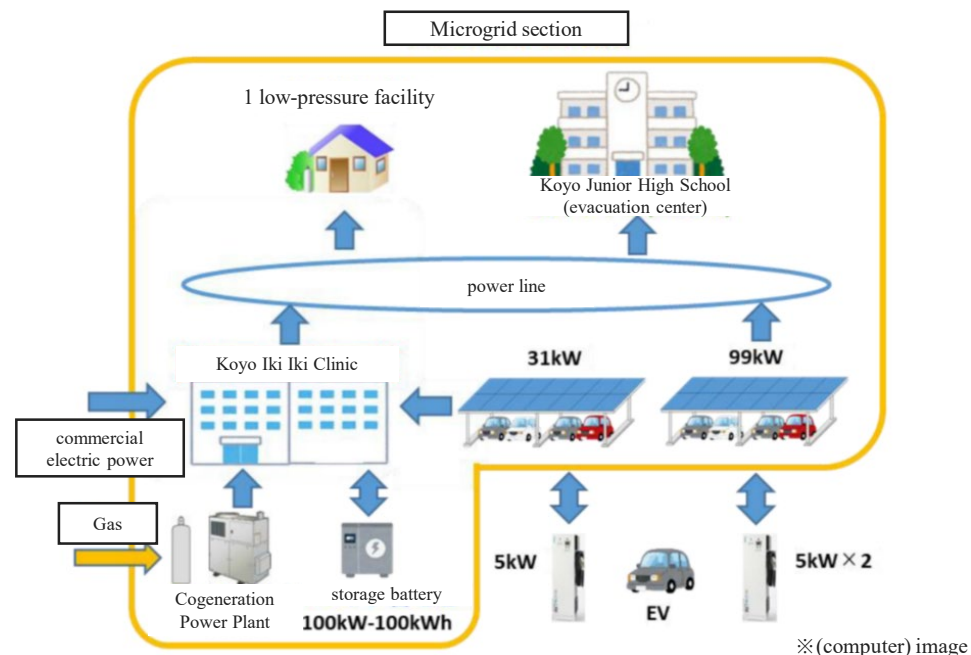
1	40 yen	5%	4	27 yen	1%	7	21 yen	5%
2	36 yen	44%	5	24 yen	10%	8	18 yen	13%
3	32 yen	3%	6	22 yen	1%	9	14 yen or less	19%

## Regional microgrid concept

Achieve local production for local consumption of electricity within the region, and use existing power systems as emergency power sources

### Project Example

### Tomakomai City Koyocho Regional Microgrid Concept



Construct a community symbiotic microgrid and use on-site PPA in emergencies  
Electricity is supplied to Koyo Iki Iki Clinic, a regional clinic for renewable energy, and Tomakomai City Koyo Junior High School, a designated shelter in Tomakomai City.

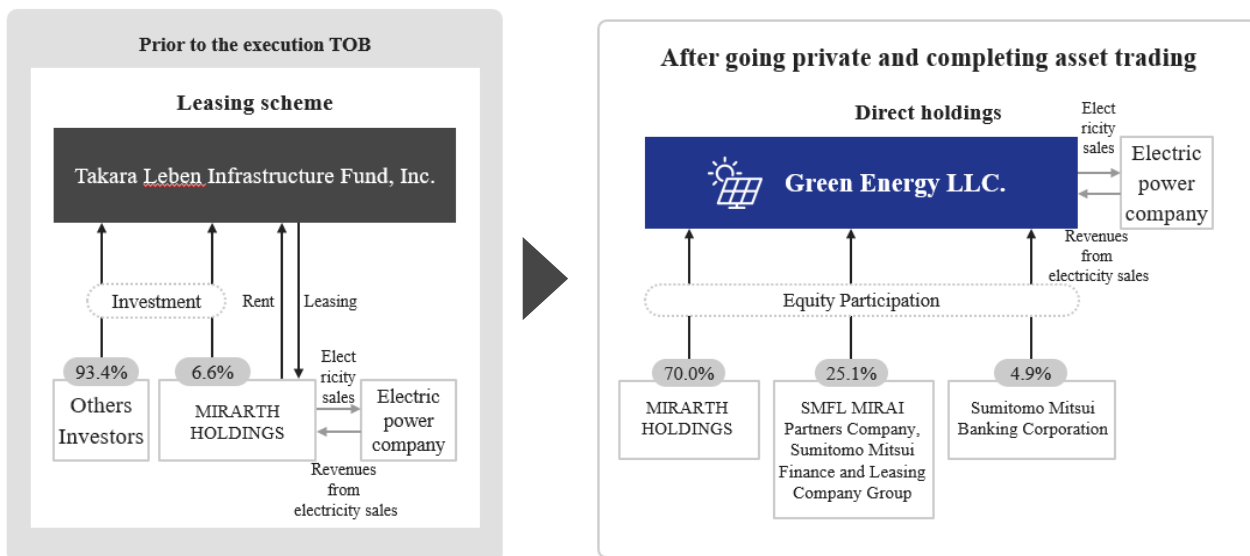


# TOB to Takara Leben Infrastructure Fund Inc. [1]

- Decided to commence tender offer for Takara Leben Infrastructure Fund Inc., which was enacted on November 11, 2022
- Stability improved by converting from flow income to stock income

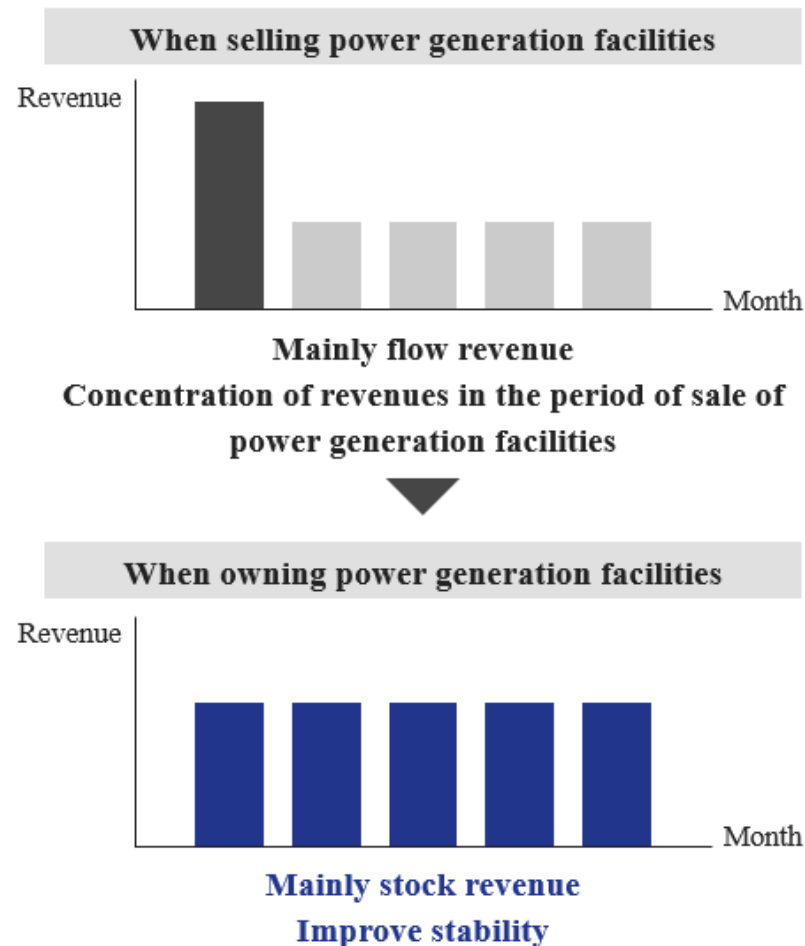
## Scheme diagram

Solar power generation facilities owned by Takara Leben Infrastructure Fund Inc. after going private were transferred to Green Energy LLC.



**Expand EBITDA by integrating ownership and power generation**

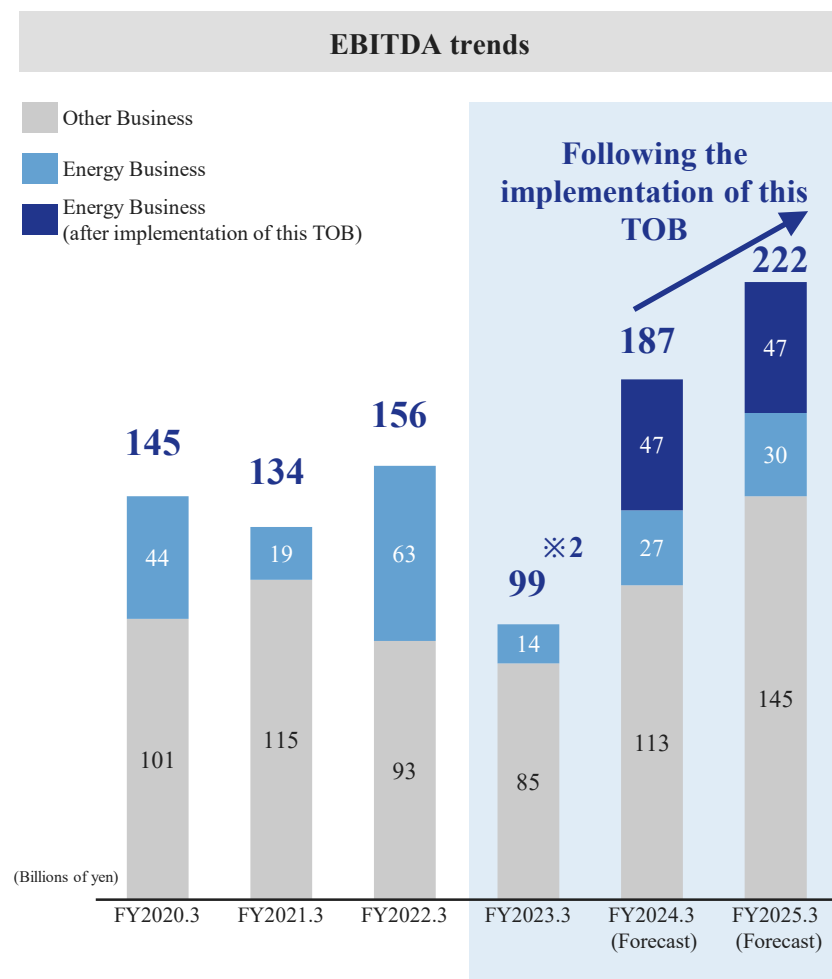
## Increase in stock revenue



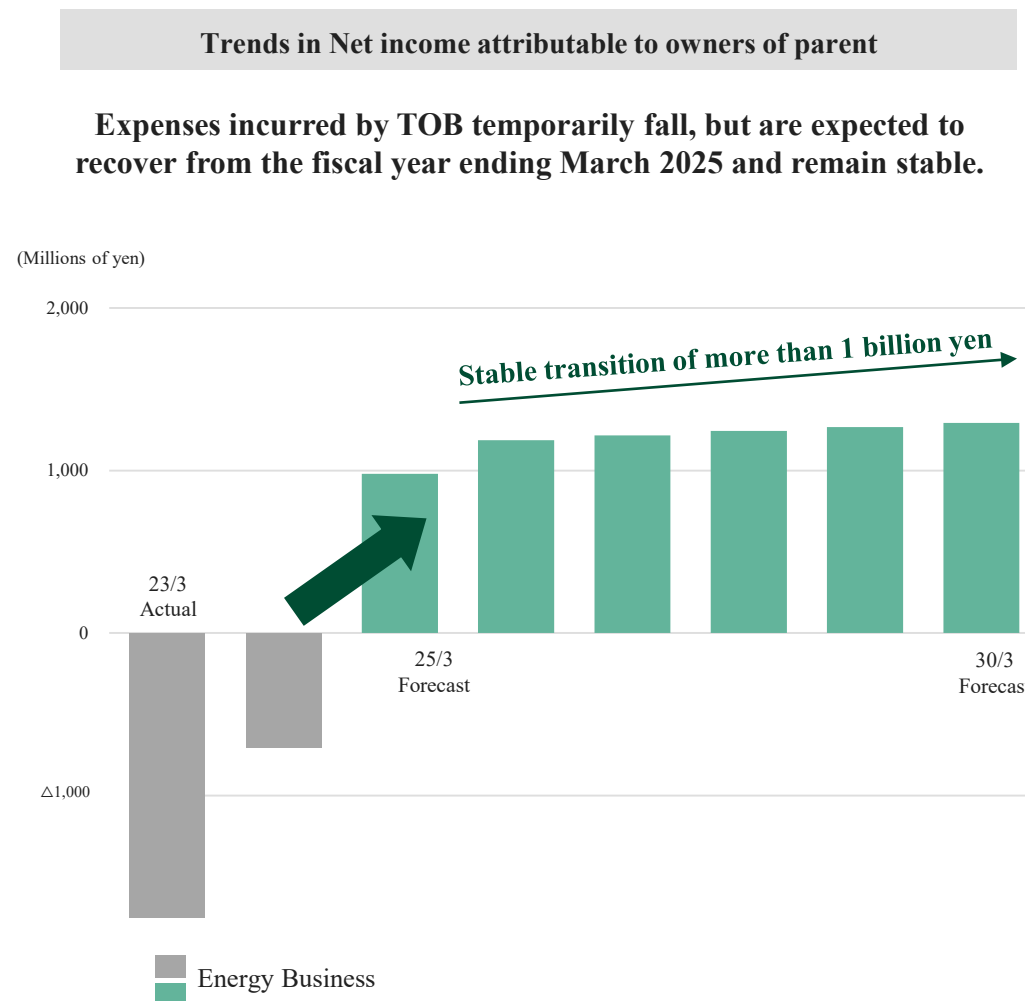
# TOB to Takara Leben Infrastructure Fund Inc. [2]

- This TOB improved the stability of Energy Business by expanding stock earnings, and EBITDA \*1 grew.
- The final profit is expected to be more than 1 billion yen from the fiscal year ending March 2025.

## Increased EBITDA



## Projected Final Profit Growth from TOB



※1 EBITDA= Operating income + Depreciation and amortization

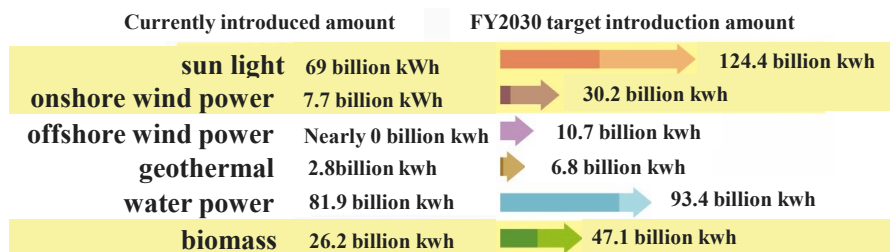
※2 Year ending March 31, 2023 recorded a Δ of 800 million yen at Energy Business due to the incurrence of upfront costs due to the implementation of TOB

※ Considering only the impact of TOB

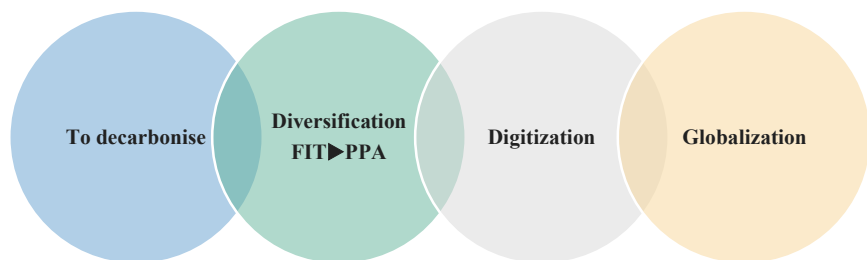
# Energy Business Business Model Strategy

## The environment surrounding our group

### Governmental Target for 2030



### Japanese Renewable Energy Market



### Our Energy Business History

Sales of solar condominiums

Develop mega solar power plants using FIT system

First listing on the infrastructure fund market  
 ※ Mainly due to the profit from power plant development from the sale

Development of other renewable energy power plants  
 (Wind power plants, biomass power plants, etc.)

### New business model

- Started development of a wide variety of renewable energies, including onshore wind and microgrids. In addition, a survey of electricity storage stations and hydroelectric power plants is being introduced and verified.
- In addition to cow dung biomass, we are currently examining the feasibility of joint development of technologies/know-how for renewable energy such as biofuels and woodchips, and overseas development of supply chains.

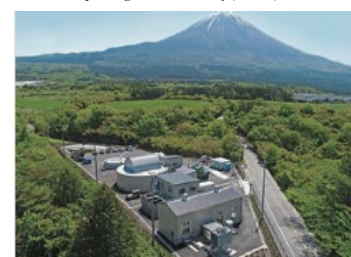
### Expansion of existing renewable energy development business "Development-Ownership-Power Sales Stock Business"



LS Tottori Daisen power generation facility (14MW)



LS Mihara power generation facility (11MW)



Fujisan Asagi Biomass Power Plant



LWP Nagasaki Tsushima Power Station



Tsushima City, Nagasaki Prefecture

### Small-and medium-scale solar power plants

#### Expansion of Non-FIT R&D

Utilize the "Non-FIT solar power generation + off-taker" model for renewable energy users to achieve carbon neutrality. Aggressively and speedily expand to build regional microgrids in the future.

#### Expansion of stock business

From sale of facilities to sale of electricity.

#### Local production and local consumption of energy

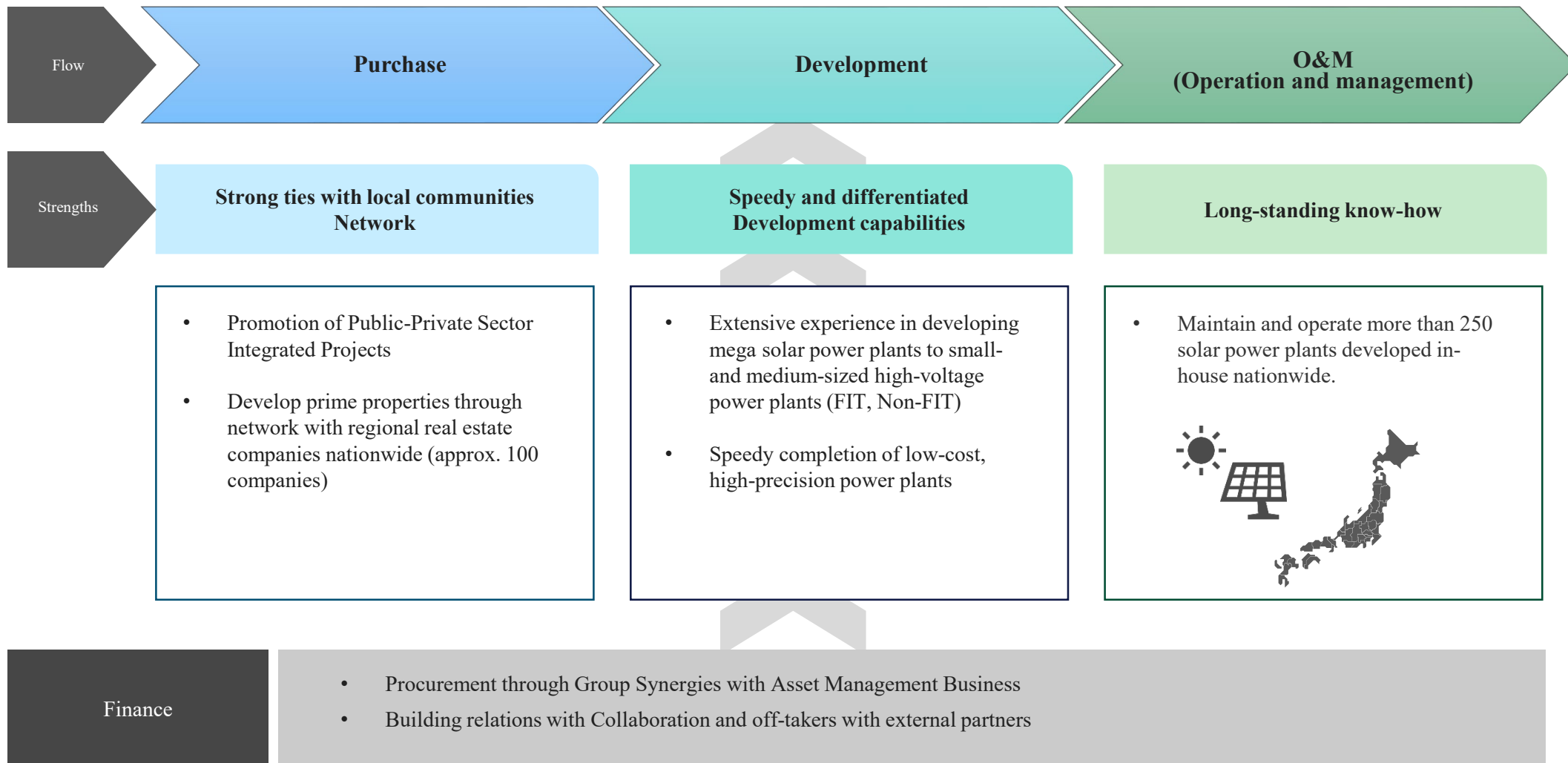
Electricity generated from cow dung is sold to local residents. Contributing to local consumption of local produce and job creation by solving the environmental problems of cow dung

#### Resource utilization model business

Ministry of the Environment's Model Project for Utilizing Environmentally Conscious Biomass Resources. Leveraging our know-how, we are looking to expand overseas.

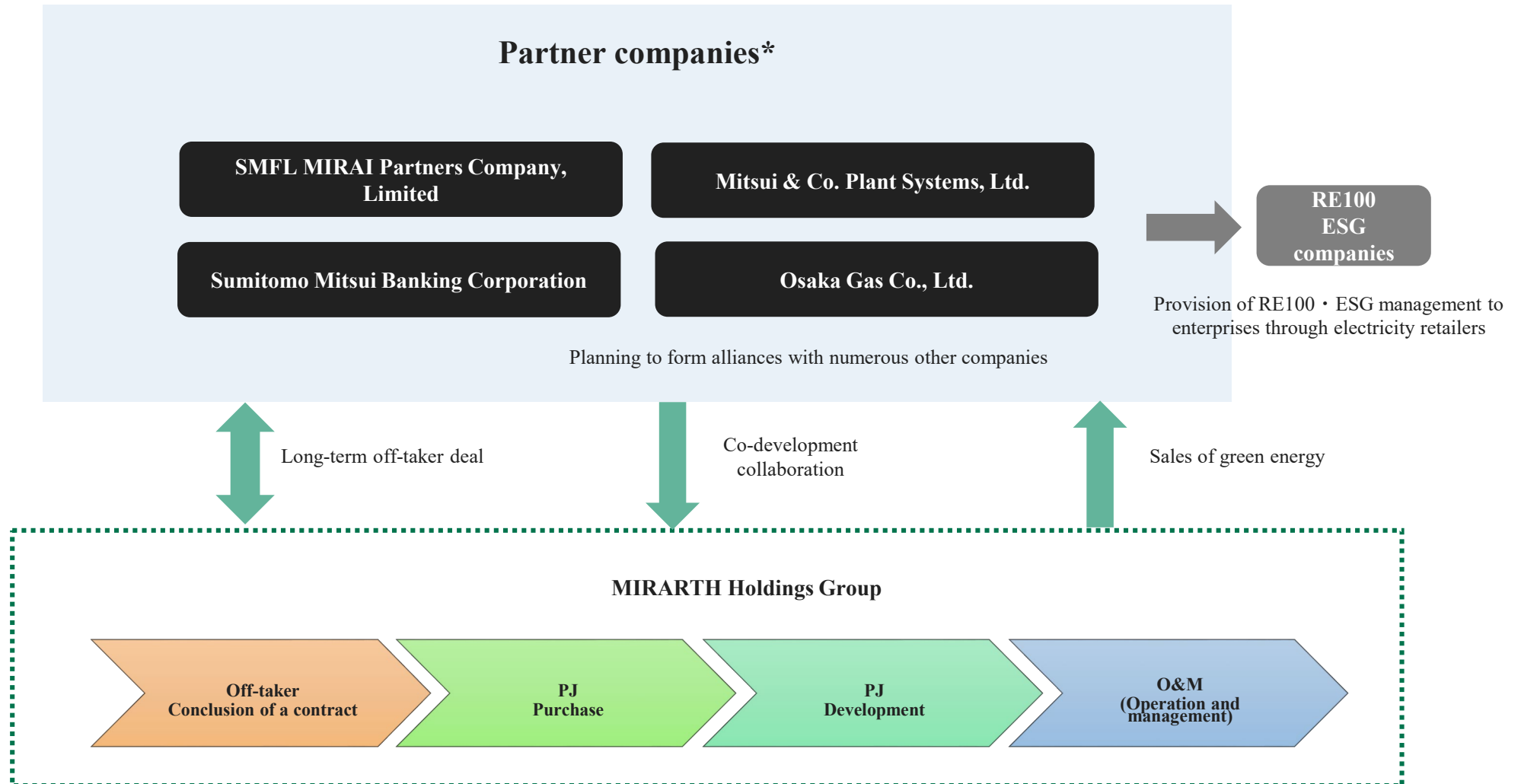
# Strengths of our group in the energy business

Stable management capabilities through speedy development and accumulation of know-how from purchasing to O&M



# Growth potential and off-taker model for Non-FIT solar business

- Off-taker model alliance with a partner company in developing Non-FIT solar power
- Providing Green Energy to RE100 • ESG Management Companies over the Long Term through Electricity Retailers



※Partner companies that have announced plans to collaborate in developing Non-FIT solar power in the future

# Handling of the Materials

This document has been prepared based on data as of March 31, 2023.

The plans and forecasts described in this document are our judgments at the time of preparation of the document. We do not guarantee or promise their realization or achievement, and we do not guarantee or promise the accuracy or completeness of the information. Details described in this document is subject to change without notice.

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