

# Mirarth (8897, Corporate)

## Strategic property acquisitions

13<sup>th</sup> June 2024

Share price ¥482

Market cap: ¥66.0bn

**The strategic acquisition of prime location, high margin properties drove above plan FY 3/24 OP, with strength likely to continue into FY 3/25.**

### Company sector

Real Estate Management Development  
(GICS Industry)

### Stock data

Price (¥)	482
Mkt cap (¥bn)/(\$m)	66.0 / 420.9
52-week range (¥)	430 - 595
Shares O/S (m)	137.0
Average daily value (\$m)	3.3
Free float (%)	49.7
Foreign shareholding (%)	13.2
Ticker	8897
Exchange	Tokyo Prime
Net Debt/Equity (%)	234.0%



Source: Bloomberg

### BUSINESS OVERVIEW

Mirarth is one of Japan's leading real estate developers with a growing renewable energy business & asset management business.

### Next event:

1Q 3/25 results in August 2024.

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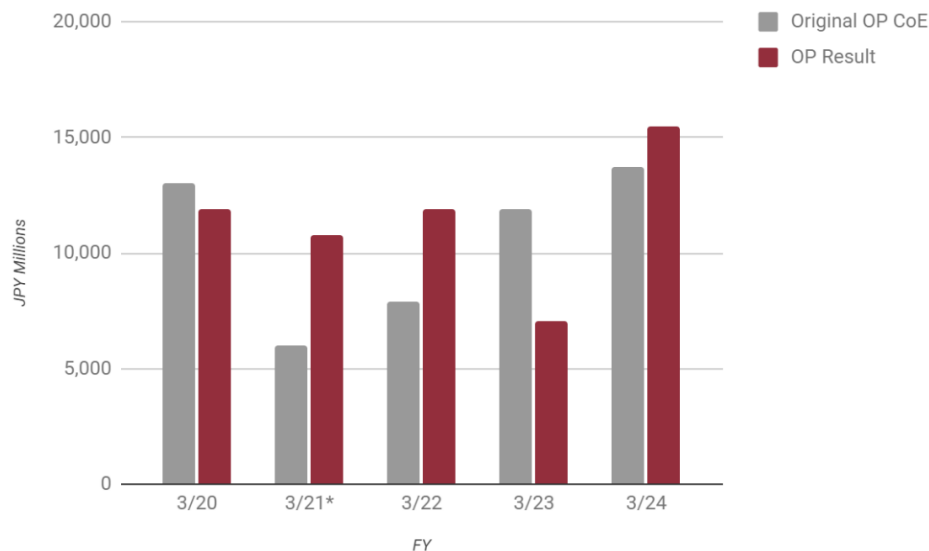
[Storm Corporate profile page](#)

**Mirarth is a research client of Storm Research**

- **Mirarth finished FY 3/24 with sales slightly below & OP comfortably above forecast due to above plan profitability in the core Real Estate business, as it continued to focus on procuring land in prime locations. It has revised up its FY 3/25 MTP targets for the Real Estate division in anticipation of FY 3/24 strength persisting.**
- **The company expects strong demand for its condominiums to continue in FY 3/25 &, whilst it has forecast conservatively to include the impact of higher construction costs from the 4Q, it sees potential for upside.**
- **The growing Energy division was below forecast in FY 3/24 due to higher than expected repair costs, but Mirarth anticipates fewer repairs in FY 3/25, resulting in robust OP growth & OPM improvement versus a YoY sales decline as it downsizes its facility sales business.**
- **Mirarth continues to expand its Energy generation capacity towards its 780MW FY 3/30 forecast, & in FY 3/25 aims to increase capacity with woodchip & cashew nutshell biomass projects, although it does not expect any significant sales or OP impact within the FY.**
- **Asset Management division sales & OP were below plan in FY 3/24 owing to delays & above plan personnel costs. The Other division was also below plan, although the hotel business was above forecast owing to high occupancy rates, which Mirarth expects to continue in FY 3/25.**
- **Having recovered from TOB-related earnings weakness in FY 3/23, Mirarth anticipates steady growth to continue, bolstered by Energy sales contributions once it has accumulated greater generation capacity. With the stock trading on 5x FY 3/25 company estimates, we encourage investors to book time with senior management to explore the investment thesis: [here](#).**

Year end	3/2022	3/2023	3/2024	3/2025E
Sales (¥bn)	162.7	153.4	185.2	205.7
OP (¥bn)	11.8	7.0	15.5	17.0
NP (¥bn)	6.2	4.5	8.2	10.7
EPS (¥)	57.1	41.9	74.4	97.2
DPS (¥)	18	22	24.0	30.0
Sales growth YoY (%)	+9.7	-5.7	+20.7	+11.1
OP growth YoY (%)	+10.1	-40.8	+119.9	+10.0
NP growth YoY (%)	+32.4	-26.2	+78.4	+30.8
EPS growth YoY (%)	+32.2	-26.6	+77.6	+30.6
PER (x)	5.2	9.0	6.9	5.0
EV/EBITDA (x)	8.5	21.8	10.8	11.2
EV/Sales (x)	0.8	1.5	1.2	1.3
PBR (x)	0.6	0.7	0.9	0.8
ROE (%)	11.0	7.6	12.9	n/a
ROIC (%)	4.4	2.3	4.0	n/a
FCF yield (%)	n/a	n/a	19.8	n/a
Dividend Yield (%)	6.0	5.8	5.1	6.2

Source: Bloomberg.

RESULTS VS  
FORECAST HISTORY

\* 3/21 original OP CoE released with 1H results.

## EARNINGS

FY 3/24 sales finished slightly below forecast but **OP finished comfortably above due to stronger than expected higher margin Real Estate condominium & liquidation sales.** Power generation capacity expansion continued in line with plan in the Energy division &, although higher than expected repair costs brought Energy OP below forecast, the shortfall was offset by Real Estate division strength.

- SG&A: FY 3/24 SG&A increased +1.9%YoY to ¥25.1bn, largely due to personnel expenses increasing +¥568m YoY to approx. ¥6bn after a +6.5% salary base rise. Public relations expenses declined -¥169m YoY as Mirarth finished promotional spending for its 50<sup>th</sup> anniversary.

\* **FY 3/25 OUTLOOK:** Mirarth considers its FY 3/25 sales & OP growth forecasts a more normalised level, after rapid FY 3/24 growth following TOB-related sales inclusion & OP weakness in FY 3/23.

The company aims to continue expanding Energy division capacity to remain on track for its 780MW FY 3/30 target. **It is also expecting robust Energy division OP growth in FY 3/25 due to fewer repairs planned than in FY 3/24.**

It has been conservative in its consolidated FY 3/25 OP forecast due to the impact of higher construction costs featuring from the 4Q, after an approx. 2-year time-lag. It is also preparing for the possibility of needing to apply discounts to its properties, although **we note demand remains strong & that Mirarth's properties often attract customers with budgets that can accommodate construction-related price hikes.**

The company plans to continue investing in personnel with another salary base rise of approx. +7%YoY.

## REAL ESTATE

(JPY Millions)	3/24 CoE	YoY	3/24 Results	YoY	3/25 Original MTP	YoY	3/25 1 <sup>st</sup> Revised MTP*	YoY	3/25 2 <sup>nd</sup> Revised MTP**	YoY
<b>Sales</b>	165,550	19.0%	162,804	17.0%	179,930	10.5%	176,970	8.7%	184,860	13.5%
<b>GP</b>	33,370	11.4%	35,608	18.9%	35,730	0.3%	36,130	1.5%	36,260	1.8%
<b>GPM</b>	20.2%	-1.4ppt	21.9%	0.3ppt	19.9%	-2.0ppt	20.4%	-1.5ppt	19.6%	-2.3ppt
<b>OP</b>	10,440	32.1%	13,790	74.4%	14,620	6.0%	13,420	-2.7%	13,800	0.1%
<b>OPM</b>	6.3%	0.6ppt	8.5%	2.8ppt	8.1%	-0.3ppt	7.6%	-0.9ppt	7.5%	-1.0ppt

\* Revised with FY 3/23 results. \*\* Revised with FY 3/24 results.

### - New Built-for-sale Condominiums:

(JPY Millions)	3/24 CoE	YoY	3/24 Results	YoY	3/25 Original MTP	YoY	3/25 1 <sup>st</sup> Revised MTP*	YoY	3/25 2 <sup>nd</sup> Revised MTP**	YoY
<b>Sales</b>	92,700	21.8%	93,474	22.8%	101,500	8.6%	101,500	8.6%	106,000	13.4%
<b>GP</b>	20,400	22.0%	21,003	25.6%	21,500	2.4%	21,500	2.4%	22,100	5.2%
<b>GPM</b>	22.0%	0.0ppt	22.5%	0.5ppt	21.2%	-1.3ppt	21.2%	-1.3ppt	20.8%	-1.7ppt
<b>Units</b>	2,200	18.2%	2,214	19.0%	2,600	17.4%	2,200	-0.6%	2,200	-0.6%

\* Revised with FY 3/23 results. \*\* Revised with FY 3/24 results.

FY 3/24 condominium sales & OP were above plan, driven by strong demand, with several large sales of properties near stations.

**Mirarth focuses on acquiring & selling properties in prime locations where demand is high.** Although competition for prime lots is tough, there are approx. 9,300 plots of land still available in Japan's landbank & Mirarth's procurement teams benefit from having strong relationships with land sellers.

- FY 3/25: Mirarth has revised up its FY 3/25 MTP targets, as it anticipates FY 3/24 strength to continue.

Given that it focuses on high-value properties to drive sales growth, it has not raised its unit sales forecast for FY 3/25, targeting 2,200 versus 2,214 in FY 3/24. Instead, it plans to increase the percentage of properties in metropolitan areas +6.4ppt YoY to 40.6% in FY 3/25 as it aims to avoid relying too heavily on regional sales.

It expects the condominium GPM to decline -1.7ppt YoY to 20.8% due to rising construction costs & longer construction times, but **considers its GP forecast a minimum level & sees potential for upside as demand is likely to remain strong enough to allow price hikes.**

A strong sales & OP skew to the 4Q is set to continue in FY 3/25 as Mirarth expects 53.1% of its units to be completed in the 4Q.

### - Liquidation:

(JPY Millions)	3/24 CoE	YoY	3/24 Results	YoY	3/25 Original MTP	YoY	3/25 1 <sup>st</sup> Revised MTP*	YoY	3/25 2 <sup>nd</sup> Revised MTP**	YoY
<b>Sales</b>	30,000	-2.1%	30,661	0.1%	36,000	17.4%	30,600	-0.2%	36,000	17.4%
<b>GP</b>	5,410	-19.3%	6,621	-1.3%	5,100	-23.0%	5,500	-16.9%	6,200	-6.4%
<b>GPM</b>	18.0%	-3.9ppt	21.6%	-0.3ppt	14.2%	-7.4ppt	18.0%	-0.1ppt	17.2%	-4.4ppt

\* Revised with FY 3/23 results. \*\* Revised with FY 3/24 results.

The Liquidation business was stronger than forecast in FY 3/24 due to more successful liquidations than expected. OP was well above plan, aided by Mirarth bringing development of residential properties in-house.

In FY 3/25, Mirarth remains cautious due to tough business conditions, but **has revised up its FY 3/25 MTP targets as it continues to seek high margin properties with high rent**. Whilst it does not expect any major changes in the competitive landscape, it sees upside potential to the forecast. It also aims to invest in short-term projects for a quicker turnaround.

- **Other:** Other Real Estate businesses were broadly in line with plan in FY 3/24. Mirarth does not anticipate any significant changes to the business environment in FY 3/25, although it plans to grow businesses with high turnover rates such as the Renewal Resale business.

## ENERGY

(JPY Millions)	3/24 CoE	YoY	3/24 Results	YoY	3/25 Original MTP	YoY	3/25 1 <sup>st</sup> Revised MTP*	YoY	3/25 2 <sup>nd</sup> Revised MTP**	YoY
<b>Sales</b>	13,790	52.5%	13,849	53.1%	19,200	38.6%	12,700	-8.3%	12,700	-8.3%
<b>GP</b>	4,520	447.2%	4,361	428.0%	1,300	-70.2%	4,730	8.5%	4,430	1.6%
<b>GPM</b>	32.8%	23.6ppt	31.5%	22.4ppt	6.8%	-24.7ppt	37.2%	5.8ppt	34.9%	3.4ppt
<b>OP</b>	3,050	n/a	2,026	n/a	600	-70.4%	3,160	56.0%	3,000	48.0%
<b>OPM</b>	22.1%	n/a	14.6%	n/a	3.1%	-11.5ppt	24.9%	10.3ppt	23.6%	9.0ppt

\* Revised with FY 3/23 results. \*\* Revised with FY 3/24 results.

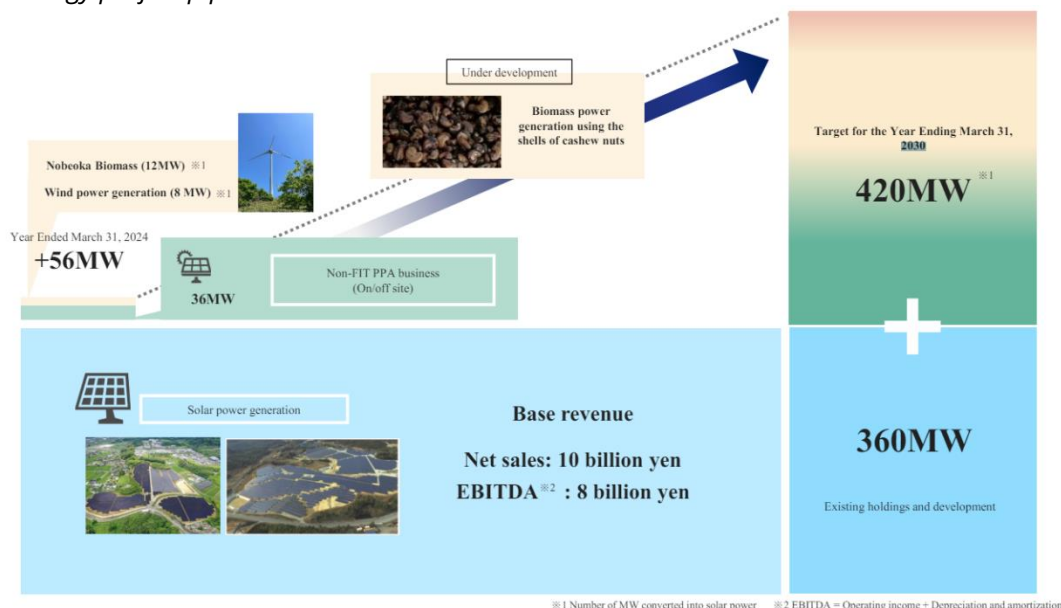
Within the Energy division, the facility sales business finished in line with plan, but electricity sale business OP was weaker than forecast due to higher than expected repair costs, bringing down divisional OP.

In FY 3/25, Mirarth expects fewer repairs due to the high volume in FY 3/24, enabling robust OP growth YoY. It has forecast a YoY facility sales decline of -45.6%YoY to ¥2bn as it scales back the business but anticipates ¥10.7bn +5.2%YoY sales for the electricity sales business.

- **Capacity:** Mirarth expanded its 360MW base power generation capacity by +56MW to **¥416MW in FY 3/24, & reports it is on track to reach its FY 3/30 target of 780MW**. In FY 3/25, it aims to continue this expansion, focusing on biomass, including research into using cashew shells in partnership with the Cambodian government.

It also expects to finish preparation for woodchip biomass power generation in Nov 2024, adding 12MW of capacity, but this is unlikely to impact FY 3/25 earnings significantly.

- Energy project pipeline:



Source: Company.

ASSET MANAGEMENT

(JPY Millions)	3/24 CoE	YoY	3/24 Results	YoY	3/25 Original MTP	YoY	3/25 1 <sup>st</sup> Revised MTP*	YoY	3/25 2 <sup>nd</sup> Revised MTP**	YoY
<b>Sales</b>	820	-25.2%	734	-33.0%	1,570	113.9%	1,070	45.8%	900	22.6%
<b>GP</b>	610	-36.7%	594	-38.3%	1,270	113.8%	810	36.4%	700	17.8%
<b>GPM</b>	74.4%	-13.5ppt	80.9%	-6.9ppt	80.9%	0.0ppt	75.7%	-5.2ppt	77.8%	-3.1ppt
<b>OP</b>	10	-96.9%	-34	n/a	430	n/a	110	n/a	20	n/a
<b>OPM</b>	1.2%	-28.2ppt	n/a	n/a	27.4%	n/a	10.3%	n/a	2.2%	n/a

\* Revised with FY 3/23 results. \*\* Revised with FY 3/24 results.

FY 3/24 Asset Management division sales & OP finished below plan due to delays with private funds related to the high cost of the properties targeted for investment, although it had no issues with REITs. Further negative impact on OP was due to higher than expected personnel costs, as hiring for the Asset Management division is tougher & costlier than other divisions.

Mirarth expects delayed private fund business to be recorded in FY 3/25, resulting in YoY sales growth with increasing management fees as AUM expands. Additionally, one of its group companies has revised down its FY 3/25 MTP targets due to a challenging FY 3/24 & ongoing hiring difficulties.

OTHER

(JPY Millions)	3/24 CoE	YoY	3/24 Results	YoY	3/25 Original MTP	YoY	3/25 1 <sup>st</sup> Revised MTP*	YoY	3/25 2 <sup>nd</sup> Revised MTP**	YoY
<b>Sales</b>	8,550	102.7%	7,805	85.0%	3,000	-61.6%	9,260	18.6%	7,240	-7.2%
<b>GP</b>	500	n/a	25	n/a	400	1500.0%	630	2420.0%	910	3540.0%
<b>GPM</b>	5.8%	n/a	0.3%	n/a	13.3%	13.0ppt	6.8%	6.5ppt	12.6%	12.3ppt
<b>OP</b>	200	n/a	-325	n/a	50	n/a	310	n/a	180	n/a
<b>OPM</b>	2.3%	n/a	n/a	n/a	1.7%	n/a	3.3%	n/a	2.5%	n/a

\* Revised with FY 3/23 results. \*\* Revised with FY 3/24 results.

Other division FY 3/24 sales & OP were below plan due to weakness in the construction business, but **the hotel business was above forecast, driven by high utilisation, which Mirarth expects to maintain at approx. 80-90% in FY 3/25 as inbound demand recovers.**

**SHAREHOLDER RETURNS**

Mirarth raised its dividend forecast +¥6 YoY to ¥30 in FY 3/25 for a payout ratio of 30.9% versus its MTP target of >30%. It successfully lowered the debt/equity ratio to 2.9x versus 3.5x in FY 3/23 & an MTP target of >3x. **Improved profitability in the Real Estate & Energy divisions led to the RoE increasing +5.3ppt YoY to 12.9% versus the MTP target of >13%.**

On 20<sup>th</sup> May, Mirarth announced a new share issue. The public issue is scheduled to conclude in June 2024, with a third-party allotment period ending in July. We will publish further details in due course.

**ESG**

Mirarth has revised its GHG emission target to include Scope 3 & comply with the SBTi's Net Zero Standard.

- Revisions to greenhouse gas emission targets:

	Before revision	After revision	
Base year	FY 2020	FY 2022	Adopting latest fiscal year
FY 2030 target	Scope1,2 50% reduction	<b>Scope1,2,3 45% reduction</b> (Scope1,2:70% reduction)	Addition of Scope3
FY 2050 target	Scope1,2 100% reduction	<b>Scope1,2,3 100% reduction</b> (Within the value chain: 90% reduction/ Neutralization: 10% reduction)	Adopting the new SBT standard

Source: Company.

It continues to incorporate sustainability into its businesses: one of its condominium blocks received an A-rank green building certification by CASBEE in 2023. It has also received the highest 3-star ranking in the Eruboshi certification, which measures corporate efforts to support female employees.

**PREVIOUS REPORTS**

- 9<sup>th</sup> February 2024: [‘Seasonality’](#)
- 1<sup>st</sup> December 2023: [‘New energy model’](#)
- 30<sup>th</sup> August 2023: [‘FIT to PPA Transition’](#)
- 23<sup>rd</sup> June 2023: Initiating coverage - [‘Condos & the rise of renewable energy’](#)

**COMPANY  
INFORMATION**

<b>1972</b>	Established Takara Komuten Co., Ltd. (currently MIRARTH HOLDINGS) Started sales of detached houses
<b>1982</b>	Launched the Real Estate Rental business
<b>1988</b>	Established Takara Management Co., Ltd. (currently Leben Community) Launched the Real Estate Management business
<b>1994</b>	Started sales of 'Leben Heim' condominiums
<b>2000</b>	Changed company name to Takara Leben Co., Ltd.
<b>2001</b>	Established TAFUKO Co., Ltd. Launched the Financial Brokering business Listed on the JASDAQ market
<b>2003</b>	Listed on the Second Section of the Tokyo Stock Exchange
<b>2004</b>	Listed on the First Section of the Tokyo Stock Exchange Established Relivel Leben Co., Ltd. (previously Takara West Japan Co., Ltd.) Launched the trustee division for real estate sales Established AS Partners Co., Ltd. Launched the Nursing Care For Seniors business
<b>2006</b>	Moved the main office to Shinjuku Sumitomo Building
<b>2008</b>	Made Marunouchi Servicer a subsidiary Released new Takara Leben Brands
<b>2010</b>	Launched the Detached Housing business (built by Takara Leben) Capital increase based on Japan's first rights offering
<b>2011</b>	Joined an open house and began sales of custom-built houses
<b>2012</b>	Introduced new condominium brands Established the Yokohama branch Made Takara Housing Co., Ltd. (previously Takara Property Co., Ltd.) a subsidiary for the Real Estate Rental business
<b>2013</b>	Entry to the Mega-Solar business Established Takara Asset Management Co., Ltd. Launched the Investment Management business Established Takara Investments Co., Ltd. Launched the Real Estate Investment business Made Sunwood Corporation an associated company accounted for by the equity method
<b>2014</b>	Established the Hokuriku sales office Established the Tohoku sales office Made Oasis Co., Ltd. (currently Takara Leben Realnet Co., Ltd.) a subsidiary Made Nikko Kensetsu Co., Ltd. (currently Leben Home Build Co., Ltd.) a subsidiary
<b>2015</b>	Made Live Net Co., Ltd. (previously Takara Leben West Japan Co., Ltd.) a subsidiary Made Jyutakujyohoukan Co., Ltd. (currently Takara Leben Co., Ltd.) a subsidiary
<b>2016</b>	Made Nikko Property Co., Ltd. (currently Leben Trust Co., Ltd.) a subsidiary Changed the company name of Nikko Kensetsu Co., Ltd. to Nikko Takara Corporation Co., Ltd. (currently Leben Home Build Co., Ltd.) Takara Leben Infrastructure Fund, Inc. was the first to be listed on the infrastructure fund market
<b>2017</b>	Introduced a new condominium brand Established the Osaka branch Established the Sapporo sales office Changed the company name of Jyutakujyohoukan Co., Ltd. to Takara Leben West Japan Co., Ltd. Main office moved to Tekko Building, Marunouchi, Chiyoda-ku
<b>2018</b>	Changed the company name of TAFUKO Co., Ltd. to Leben Zestock Co., Ltd. Made PAG Investment Management Ltd. (currently Takara PAG Real Estate Advisory Ltd.) a subsidiary Established a representative office in Hanoi City Takara Leben Real Estate Investment Corporation was listed on the Tokyo Stock Exchange
<b>2019</b>	Changed the company name of Nikko Property Co., Ltd. to Leben Trust Co., Ltd. Leben Trust Co., Ltd. merged with Takara Property Co., Ltd.
<b>2021</b>	Established Leben Funding LLC. Made ACA Clean Energy Co., Ltd. a subsidiary Established the Nagoya sales office Changed the company name of ACA Clean Energy Co., Ltd. to Leben Clean Energy Co., Ltd. Sunwood Corporation became a non-subsiary due to the transfer of shares

<b>2022</b>	<p>Changed the company name of Nikko Takara Corporation Co., Ltd. to Leben Home Build Co., Ltd.</p> <p>Established Takara Leben (Thailand) Co., Ltd. in Bangkok</p> <p>50 year anniversary</p> <p>Established MIRARTH HOLDINGS, Inc. (changed company name from Takara Leben Co., Ltd. to MIRARTH HOLDINGS, Inc.)</p> <p>Changed the company name of Takara Leben West Japan Co., Ltd. to Takara Leben Co., Ltd., merged with Takara Leben West Japan Co., Ltd., and moved the head office to Marunouchi, Chiyoda-ku, Tokyo.</p>
<b>2023</b>	<p>Delisted Takara Leben Infrastructure Fund, Inc. through a tender offer</p> <p>Establishment of MIRARTH Green Tech Co., Ltd.</p> <p>Launched Renewable Energy Business</p> <p>Establishment of MIRARTH Agri Tech Co., Ltd.</p> <p>Launched Biofuel business</p>
<b>2024</b>	<p>Takara PAG Real Estate Investment Management Co., Ltd. Changed company name from MIRARTH Real Estate Advisory Inc.</p> <p>Leben Clean Energy Co., Ltd. Changed company name from MIRARTH Energy Solutions Inc.</p> <p>Takara Asset Management Co., Ltd. Changed company name from MIRARTH Asset Management Inc.</p>

#### Company contact details

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Major shareholders	Stake %
General Incorporated Association Murayama Asset Management	21.18
The Master Trust Bank of Japan, Ltd. (for trust account)	9.21
Custody Bank of Japan, Ltd. (for trust account)	2.46
Morgan Stanley MUFG Securities, Co., Ltd.	1.79
Murayama Kikaku Co., Ltd.	1.65
RUDEN HOLDINGS Co., Ltd.	1.43
JP Morgan Securities	1.26
MIRARTH HOLDINGS Business Partner Shareholding Association	1.20
Sumitomo Mitsui Banking Corporation	0.98

Source: Company.



## MANAGEMENT

<b>Representative Director, Group CEO, Group COO and President Executive Officer</b>	<b>Kazuichi Shimada</b>
<b>Year of birth</b>	1965
<b>Shareholding</b>	0.86%
<b>Career history</b>	
<b>May 1987</b>	Joined Takara Leben Co., Ltd (now known as MIRARTH HOLDINGS Inc.).
<b>June 1998</b>	Director and General Manager of Development Department
<b>June 2000</b>	Managing Director, General Manager of Development Division, and General Manager of Development Department and Construction Department of Head Office
<b>June 2006</b>	Representative Director, Executive Vice President, and General Manager of Development Division
<b>April 2012</b>	Representative Director, Executive Vice President, Chief Operating Officer (COO), Chief Financial Officer (CFO), and General Manager of General Planning Division
<b>April 2014</b>	Representative Director, President, Chief Executive Officer (CEO), Chief Operating Officer (COO), and Chief Financial Officer (CFO)
<b>April 2019</b>	Representative Director, President, and Chief Executive Officer (CEO)
<b>June 2019</b>	Representative Director, Chief Executive Officer (CEO), and President Executive Officer (present)
<b>Oct 2022</b>	Representative Director, Group CEO, Group COO and President Executive Officer (current position)
	Representative Director, CEO and President Executive Officer, Takara Leben Co., Ltd.
<b>April 2024</b>	Representative Director and President Executive Officer, Takara Leben Co., Ltd.(present)
<b>Director, Group CFO and Managing Executive Officer</b>	<b>Masashi Yamamoto</b>
<b>Year of birth</b>	1960
<b>Shareholding</b>	0.10%
<b>Career history</b>	
<b>April 2006</b>	Manager of Ueda Corporate Business Office, Sumitomo Mitsui Banking Corporation
<b>April 2009</b>	Manager of Kamata Corporate Business Office, Sumitomo Mitsui Banking Corporation
<b>April 2011</b>	Manager of Sapporo Corporate Business Office, Sumitomo Mitsui Banking Corporation
<b>April 2014</b>	General Manager of Central Tokyo Corporate Business Office, Tokyo East Corporate Business Office, and East Japan Wide Area Corporate Business Office, Sumitomo Mitsui Banking Corporation
<b>June 2016</b>	Joined Takara Leben Co., Ltd. (now known as MIRARTH HOLDINGS Inc.). as General Manager of General Affairs Department, General Planning Division
<b>June 2017</b>	Director, Executive Officer, General Manager of General Planning Division, Senior General Manager of Corporate Planning Department, General Manager of Human Resources Department, and General Manager of Corporate Planning Department
<b>April 2018</b>	Director, Executive Officer, General Manager of General Planning Division, Senior General Manager of Corporate Planning Department, and General Manager of Corporate Planning Department
<b>April 2019</b>	Director, Chief Financial Officer (CFO), Executive Officer, General Manager of General Planning Division
<b>April 2020</b>	Director, Chief Financial Officer (CFO), Managing Executive Officer, General Manager of General Planning Division
<b>April 2021</b>	Director, Chief Financial Officer (CFO), Managing Executive Officer, General Manager of Administration Headquarters
<b>Oct 2022</b>	Director, Group CFO, Managing Director/Executive Officer, and General Manager of Corporate Planning Headquarters
	Director, CFO, Managing Executive Officer, and General Manager of Corporate Planning Headquarters, Takara Leben Co., Ltd.
<b>April 2023</b>	Director, Group CFO, Managing Director/Executive Officer(present)

Director, CFO, Managing Director/Executive Officer, and General Manager of Corporate Planning Headquarters, Takara Leben Co., Ltd.  
**April 2024** Director, Managing Director/Executive Officer, and General Manager of Corporate Planning Headquarters, Takara Leben Co., Ltd. (current position)

Director (External)	Kenji Kawada
Year of birth	1950
Shareholding	0.01%
<b>Career history</b>	
May 2003	Representative Director and President, Resona Holdings, Inc.
June 2003	Director, President and Representative Executive Officer, Resona Holdings, Inc.
June 2006	Representative Director and President, Saitama Resona Bank, Limited, and Executive Officer in charge of Group Strategy Division, Resona Holdings, Inc.
June 2009	President, Resona Research Institute Co., Ltd.
April 2011	Executive Director, Fujitsu Research Institute
Jan 2016	Representative, TMA KAWADA OFFICE (current position)
April 2016	Adviser, Fujitsu Research Institute
June 2017	External Director, PE&HR Co., Ltd. (current position) External Director (current position), Takara Leben Co., Ltd. (now known as MIRARTH HOLDINGS Inc.).
June 2018	External Auditor, Konishi, Co., Ltd.
June 2021	External Director (Audit and Supervisory Committee Member), Konishi, Co., Ltd. (current position)
Sep 2022	Director, METRIKA Co., Ltd. (current position)
Oct 2022	Director (Outside Director) (current position)

Director (External)	Chiaki Tsuji
Year of birth	1953
Shareholding	0.01%
<b>Career history</b>	
Oct 1976	Passed the bar examination
April 1979	Registered as lawyer with the Tokyo Bar Association Joined Yamamoto Eisoku Law Office
Oct 1988	Studied in Germany to research judiciary systems
Oct 1990	Qualified as lawyer in Germany (Japanese law)
Oct 1990	Joined Peter Beyer Law Firm in Germany as partner lawyer
April 1993	Lecturer (law, constitution), Bunka Women's University (currently Bunka Gakuen University)
July 2001	Opened Yoshioka & Tsuji Law Office as partner lawyer
April 2004	Professor (civil affairs), Department of Law, Graduate School, Yamanashi Gakuin University
April 2011	Member of Certified Evaluation and Accreditation for Law Schools, Japan University Accreditation Association
June 2017	External Director, Yorozu Corporation (Audit and Supervisory Committee Member) (current position)
April 2018	Visiting professor, Department of Law, Yamanashi Gakuin University
June 2019	External Director, Keihin Corporation (currently Hitachi Astemo, Ltd.)
July 2019	Partner Lawyer, Kinorr Tokyo Law Office (current position)
June 2021	External Director (current position), Takara Leben Co., Ltd. (now known as MIRARTH HOLDINGS Inc.).
June 2022	External Audit and Supervisory Board Member, Moriroku Holdings Company, Ltd. (current position)
Oct 2022	Director (Outside Director), Takara Leben Co., Ltd.

Director (External)	Keiko Yamahira
Year of birth	1960
Shareholding	--
<b>Career history</b>	
April 1983	Joined Kubota House Co. Ltd. (currently Sanyo Homes Corporation)
April 2010	Executive Officer, Sanyo Homes Corporation
June 2011	Director and Managing Director/Executive Officer, Sanyo Homes Corporation
June 2012	Director, Sanyo Reform Co., Ltd. (concurrent)

<b>June 2013</b>	Director, Senior Managing Director, and Executive Officer, Sanyo Homes Corporation Director, SunAdvance, Inc. (concurrent) Director, Sanyo Homes Community Corporation (concurrent)
<b>June 2015</b>	Director, President, and Executive Officer, Sanyo Homes Corporation
<b>April 2017</b>	Representative Director and Chairman, Sanyo Homes Community Corporation
<b>June 2019</b>	External Director, Joshin Denki Co., Ltd. (current position) External Director, Fujitec Co., Ltd.
<b>June 2021</b>	External Director (current position), Takara Leben Co., Ltd. (now known as MIRARTH HOLDINGS Inc.).
<b>June 2022</b>	External Director, Shinagawa Refractories Co., Ltd. (current position)
<b>Oct 2022</b>	Director (Outside Director) (current position), Takara Leben Co., Ltd.

<b>Director (External)</b>	<b>Naohito Yamagishi</b>
<b>Year of birth</b>	1961
<b>Shareholding</b>	0.01%
<b>Career history</b>	
<b>April 1986</b>	Joined the National Police Agency
<b>Apr 1990</b>	Chief, Investigation Division 2, Criminal Investigation Department, Kagawa Prefectural Police Headquarters
<b>Aug 1991</b>	Chief, First Public Safety Division, Security Department, Saitama Prefectural Police Headquarters
<b>Aug 1993</b>	Assistant Director, Traffic Regulation Division, Traffic Bureau, National Police Agency
<b>Aug 1994</b>	Assistant Director, Road Policy Division, Bureau of Public Roads, Ministry of Construction (now Ministry of Land, Infrastructure, Transport and Tourism)
<b>Sep 1996</b>	Assistant Director, Driver's License Division, Traffic Bureau, National Police Agency
<b>Aug 1998</b>	Chief of Police, Nara Prefectural Police Headquarters
<b>Aug 2000</b>	Director, Security Department, Hyogo Prefectural Police Headquarters
<b>Aug 2002</b>	Security Division Director, Security Bureau, National Police Agency
<b>Aug 2004</b>	Security Services Bureau (Cabinet Intelligence and Research Office), National Police Agency
<b>Sep 2006</b>	Director, Security Department, Kanagawa Prefectural Police Headquarters
<b>Aug 2008</b>	HR, Ministry of Internal Affairs and Communications, and Pension Bureau Counsellor
<b>Aug 2010</b>	Chief, Wakayama Prefectural Police Headquarters
<b>Aug 2012</b>	Chief of Police, Kanagawa Prefectural Police Headquarters
<b>Aug 2013</b>	Director, Driver's License Division, Traffic Bureau, National Police Agency
<b>June 2014</b>	Deputy Director of the Imperial Guard Headquarters
<b>Feb 2016</b>	Chief, Niigata Prefectural Police Headquarters
<b>March 2018</b>	Director, International Police Center, National Police Academy and Deputy Director-General, National Police Agency (in charge of care for victims of crimes)
<b>Jan 2019</b>	Chief, Hokkaido Prefectural Police Headquarters
<b>Jan 2021</b>	Advisor, Mitsui Sumitomo Insurance Co., Ltd.
<b>June 2022</b>	External Director (current position), Takara Leben Co., Ltd. (now known as MIRARTH HOLDINGS Inc.).
<b>Dec 2022</b>	National Association of Road Sign and Marking Businesses (Counsellor)
<b>May 2023</b>	National Association of Road Sign and Marking Businesses (Executive Director) (current position)
<b>June 2023</b>	Auditor (part-time), UTMS Association (current position)

## J GAAP Financial statements

Income statement (¥bn)	FY 3/22	FY 3/23	FY 3/24
Sales	162.7	153.5	185.2
COGS	129.6	121.8	144.6
<b>Gross profit</b>	<b>33.1</b>	<b>31.7</b>	<b>40.6</b>
Gross profit margin (%)	20.3	20.7	21.9
Operating expense	21.2	24.7	25.1
<b>Total OP</b>	<b>11.9</b>	<b>7.03</b>	<b>15.5</b>
OP margin (%)	7.3	4.6	8.3
Non-Op Income (Loss)	2.4	1.3	2.5
<b>Pretax Income</b>	<b>9.4</b>	<b>5.7</b>	<b>13.0</b>
Tax	3.2	1.3	4.7
Effective tax rate (%)	33.6	22.0	36.3
<b>Net income</b>	<b>6.2</b>	<b>4.6</b>	<b>8.2</b>

Cash flow statement (¥bn)	FY 3/22	FY 3/23	FY 3/24
Net income/pre-tax profit	6.2	4.6	8.2
Depreciation/amortization	3.2	3.4	5.9
Other non-cash items	-2.5	-1.7	2.0
Changes in working capital	16.3	-7.0	20.7
Net cash from discontinued operations	0.0	0.0	0.0
<b>Cash from Operating Activities</b>	<b>23.2</b>	<b>-0.7</b>	<b>36.8</b>
Change in fixed & intangible assets	-25.7	-17.6	-26.2
Net change in long-term investments	-0.6	-1.8	0.4
Net cash from acquisitions & divestitures	-2.7	-26.9	-0.9
Other investing activities	1.1	0.0	0.2
Net cash from discontinued operations	0.0	0.0	0.0
<b>Cash from Investing Activities</b>	<b>-27.9</b>	<b>-46.4</b>	<b>-26.6</b>
Dividends paid	-1.5	-2.0	-3.2
Cash from (repayment) debt	0.4	63.6	-13.3
Cash from (repurchase) of equity	0.0	0.0	0.0
Other financing activities	0.0	0.0	0.0
Net cash from discontinued operations	0.0	0.0	0.0
<b>Cash from Financing Activities</b>	<b>-1.1</b>	<b>61.5</b>	<b>-15.5</b>
FX impact	0.0	0.0	0.0
<b>Net cash flow</b>	<b>-5.8</b>	<b>14.5</b>	<b>-5.3</b>
<b>Free cash flow</b>	<b>-2.1</b>	<b>-20.1</b>	<b>11.2</b>
<b>EBITDA</b>	<b>15.0</b>	<b>10.4</b>	<b>21.3</b>

Balance sheet (¥bn)	FY 3/22	FY 3/23	FY 3/24
Cash & equivalents	33.4	47.9	42.7
Accounts & notes receivable	2.6	3.2	8.1
Inventories	91.7	120.2	124.1
Other short-term assets	14.9	17.4	17.1
<b>Current assets</b>	<b>142.6</b>	<b>188.7</b>	<b>191.9</b>
Property, plant & equipment (net of depreciation)	63.7	125.4	117.8
Long term investments & receivables	5.8	3.2	2.8
Other long-term assets	11.3	24.4	25.0
<b>Total non-current assets</b>	<b>80.8</b>	<b>152.9</b>	<b>145.5</b>
<b>Total assets</b>	<b>223.5</b>	<b>341.7</b>	<b>337.4</b>
Payables & accruals	17.5	20.7	30.7
Short-term debt	41.7	118.3	72.6
Other short-term liabilities	15.8	23.2	19.3
<b>Total current liabilities</b>	<b>75.0</b>	<b>162.2</b>	<b>122.5</b>
Long term debt	86.3	109.1	137.9
Other long-term liabilities	2.6	5.3	5.3
<b>Total non-current liabilities</b>	<b>88.9</b>	<b>114.4</b>	<b>143.2</b>
<b>Total liabilities</b>	<b>163.9</b>	<b>276.5</b>	<b>265.8</b>
Share capital & APIC	9.8	9.9	8.5
Treasury stock	4.5	4.2	4.1
Retained earnings	53.4	56.0	61.5
Other equity	0.5	-0.1	0.1
<b>Equity before minority interest</b>	<b>59.3</b>	<b>61.6</b>	<b>66.0</b>
<b>Total equity</b>	<b>59.6</b>	<b>65.1</b>	<b>71.7</b>
<b>Total liabilities &amp; equity</b>	<b>223.5</b>	<b>341.7</b>	<b>337.4</b>

Key metrics	FY 3/22	FY 3/23	FY 3/24
<b>Profitability</b>			
Gross margin (%)	20.3	20.7	21.9
Operating margin (%)	7.3	4.6	8.3
Net margin (%)	3.8	3.0	4.4
ROIC (%)	4.4	2.3	3.4
<b>Liquidity</b>			
Current ratio (x)	1.9	1.2	1.6
Quick ratio (x)	0.5	0.3	0.4
<b>Leverage</b>			
Debt/Equity ratio	215.8	369.1	318.9
Net Debt/Equity ratio	158.6	280.7	234.0

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