

Interview with an Outside Director



Keiko Yamahira
Outside Director

Q Please give us your evaluation of MIRARTH HOLDINGS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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