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[Title]
[With QA] MIRARTH HD achieved higher sales and profit, aims for the record-high net profit of 9 billion yen in 2028, and raises dividend payout ratio to max. 40%.

[Lead]
This is a transcription of MIRARTH HOLDINGS, Inc.'s financial results presentation for the fiscal year ended March 31, 2025 and Medium-Term Management Plan announced on May 16, 2025.

[Speakers]
Kazuichi Shimada, Representative Director, Group CEO, Group COO and President Executive Officer, MIRARTH HOLDINGS, Inc.
Kensuke Suzuki, Executive Officer, General Manager of IR Office, MIRARTH HOLDINGS, Inc.

Year Ended March 31, 2025 Consolidated Statements of Income

Year Ended March 31, 2025 Consolidated Statements of Income

(Millions of yen)	Year Ended March 31, 2024 Actua	Year Ended March 31, 2025 Actual	YoY Change	Year Ended March 31, 2025 Initial Target	Vs. Plan Change
Net sales	185,194	196,523	6.1%	205,700	△4.5%
Cost of sales	144,603	154,212	6.6%	163,400	△5.6%
Gross profit	40,590	42,311	4.2%	42,300	0.0%
Selling, general and administrative expenses	25,133	27,946	11.2%	25,300	10.5%
Operating income	15,457	14,364	△7.1%	17,000	△15.5%
Ordinary income	12,984	12,427	△4.3%	16,000	△22.3%
Net income attributable to owners of parent	8,178	8,207	0.4%	10,700	△23.3%
Cost of debt	1.2%	1.6%	0.4P	—	—
Shareholders' equity costs	5.9%	6.9%	1.0P	—	—
WACC	2.4%	2.9%	0.5P	—	—

※WACC = Cost of debt × (1-T) × D/ (D + E) + Cost of Shareholders' equity × E/ (D + E) (T: Estimated at the effective tax rate [30.9%]) D: E interest-bearing debt: Equity attributable to owners of the parent

Kazuichi Shimada: I am Kazuichi Shimada, Representative Director of MIRARTH HOLDINGS, Inc. Thank you for taking time out of your busy schedule to listen to the presentation today.

I will now explain the details of the financial results for the fiscal year ended March 31, 2025 and then about our new Medium-Term Management Plan.

First, let me explain the consolidated statements of income in the performance summary. Net sales were 196,523 million yen, operating income was 14,364 million yen, ordinary income was 12,427 million yen, and net income attributable to owners of the parent was 8,207 million yen.

Compared to the previous year, operating income and ordinary income decreased, while net sales and net income attributable to owners of the parent increased. Compared to the plan, operating income and other incomes declined due to higher SG&A expenses including consumption tax. In addition, cost of debt, shareholders' equity costs and WACC are shown on the slide.

Year Ended March 31, 2025 Net Sales/Gross Profit/Operating Income by Segment

Year Ended March 31, 202 Net Sales/Gross Profit/Operating Income by Segment

(Millions of yen)

		Year Ended March 31, 2024 Actua	Year Ended March 31, 2025 Actual	YoY Change	Year Ended March 31, 2025 Initial Target	Vs. Plan Change
Real Estate Business	Net sales	162,804	178,512	9.6%	184,860	△3.4%
	Gross profit	35,608	38,451	8.0%	36,260	6.0%
	Operating income	13,790	13,130	△4.8%	13,800	△4.8%
Energy Business	Net sales	13,849	9,921	△28.4%	12,700	△21.9%
	Gross profit	4,361	2,551	△41.5%	4,430	△42.4%
	Operating income	2,026	1,110	△45.2%	3,000	△63.0%
Asset Management Business	Net sales	734	1,162	58.2%	900	29.2%
	Gross profit	594	934	57.1%	700	33.5%
	Operating income	△34	268	−	20	−
Other Businesses	Net sales	7,805	6,927	△11.2%	7,240	△4.3%
	Gross profit	25	373	−	910	△58.9%
	Operating income	△325	△144	−	180	△180.4%
Total	Net sales	185,194	196,523	6.1%	205,700	△4.5%
	Gross profit	40,590	42,311	4.2%	42,300	0.0%
	Operating income	15,457	14,364	△7.1%	17,000	△15.5%

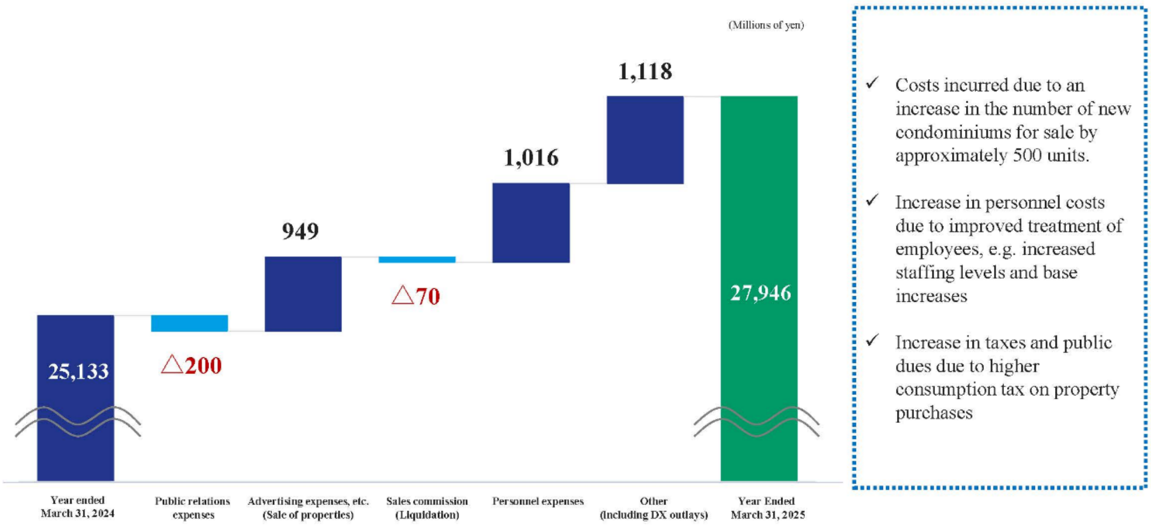
This shows a breakdown of net sales, gross profit, and operating income by segment. In the core real estate business, gross profit exceeded the plan due to strong solid contracts for new built-for-sale condominium.

Sales for the following fiscal year and beyond have started in sequence, which has resulted in higher-than-expected SG&A expenses. As a result, operating income decreased. For details, please refer to the page of each segment.

Year Ended March 31, 2025 Selling, General and Administrative Expenses (YoY)

Year Ended March 31, 2025 Selling, General and Administrative Expenses (YoY)

Increased 2,813 millions of yen from the previous fiscal year and recording 27,946 millions of yen at Year Ended March 31, 2025.



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The slide shows SG&A expenses. SG&A expenses increased approximately 2.8 billion yen from the previous fiscal year. This was mainly due to an increase of approximately 900 million yen in costs due to an increase in advertising expenses for approximately 500 units for sale, etc., as new condominium sales progressed well; an increase of approximately 1.0 billion yen in personnel costs due to improved treatment of employees, such as increased staffing levels and base salary increase; an increase of approximately 1.1 billion yen due to an increase in consumption tax on property purchases, etc.

As to SG&A expenses, we will improve efficiency by further reducing and controlling the SG&A expense ratio, as also outlined in the Medium-Term Management Plan starting this fiscal year.

Year Ended March 31, 2025 Consolidated Balance Sheets

Year Ended March 31, 2025 Consolidated Balance Sheets

- **Inventories increased due to an increase in the purchase of new condominiums for sale.**
- **The implementation of the PO has led to a significant increase in net assets and a significant increase in the equity ratio.**

(Millions of yen)	End of March 2024	End of March 2025	Change
Assets	337,447	372,508	35,060
Current assets	191,937	215,263	23,325
Cash and deposits	42,740	48,044	5,303
Inventory Assets	124,045	146,346	22,301
Real estate for sale	47,381	53,551	6,170
Power generation facilities for sale	65	65	–
Real estate for sale in progress	76,598	92,729	16,131
Fixed assets	145,441	157,198	11,756
Liabilities	265,778	283,401	17,622
Current liabilities	122,537	134,075	11,537
Notes payable ・ Accounts payable	27,119	28,414	1,295
Borrowings (short-term, due within 1 year)	69,724	82,700	12,976
Bonds payable (within 1 year)	2,806	1,006	△1,800
Fixed liabilities	143,240	149,325	6,084
Long-term loans payable	130,673	136,185	5,511
Bonds payable	7,008	6,887	△120
Net assets	71,669	89,107	17,438
Capital stock	4,819	9,056	4,237
Total liabilities and net assets	337,447	372,508	35,060

Here are the consolidated balance sheets, showing a significant increase in net assets due to the public offering conducted in June 2024. Another major change is an increase of approximately 18.4 billion yen in borrowings due to an increase in real estate for sale in progress.

Review of Operations　Real Estate Business — New built-for-sale condominium

Review of Operations

Real Estate Business — New built-for-sale condominium

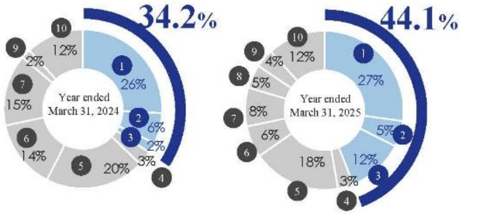
- Compared to the previous year, both turnover and gross profit increased.
- Strong sales have curbed discounting and improved profit margins compared to plan.

Performance Actual

(Millions of yen)	Year Ended March 31, 2024 Actual	Year Ended March 31, 2024 Actual	YoY Change	Year Ended March 31, 2025 Initial Target	vs. Plan Change
Net sales	93,474	106,582	14.0%	106,000	0.5%
Gross profit	21,003	23,082	9.9%	22,100	4.4%
Gross margin	22.5%	21.7%	△0.8P	20.8%	0.9P
Units sold	2,214 Units	2,339 Units	125 Units	2,200 Units	139 Units
Units sold excluding JV	2,075 Units	2,273 Units	198 Units	2,150 Units	123 Units

Percentage of metropolitan areas

Metropolitan areas
1 Capital area
2 Chubu area
3 Kinki area
4 Hokkaido area
5 Tohoku area
6 Kanto-Koshinetsu area
7 Hokuriku area
8 Chugoku area
9 Shikoku area
10 Kyushu area



The Leben Sapporo Odori MASTERS ONE (Hokkaido)
Total units：76 Units

I will explain the results by each segment. First, the new built-for-sale condominium in the real estate business.

The number of units sold was 2,339. The gross margin was 21.7 percent, 0.9 percentage point higher than planned because strong sales have curbed discounting.

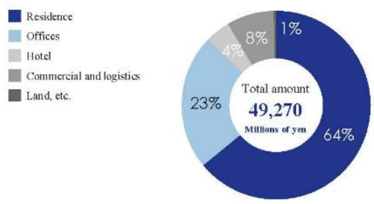
Review of Operations　　Real Estate Business — Liquidation

- Compared to the plan at the beginning of the year, profitability has improved and gross profit has increased.
- Investment and development, mainly in residences, building on the strengths developed in the new condominium business
- Profit margins have improved, mainly due to the sale of self-developed residences.

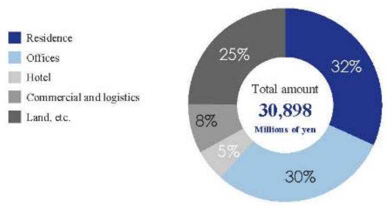
Performance Actual

(Millions of yen)	Year Ended March 31, 2024 Actual	Year Ended March 31, 2024 Actual	YoY Change	Year Ended March 31, 2025 Initial Target	vs. Plan Change
Net sales	30,661	30,898	0.8%	36,000	△14.2%
Gross profit	6,621	7,375	11.4%	6,200	19.0%
Gross margin	21.6%	23.9%	2.3P	17.2%	6.7P

Investment achievements



Sales achievements



Next is liquidation. With regard to sale, the Company recorded a higher gross profit than planned at the beginning of the period. Profit margins have improved driven by the strong sale of new self-developed residences while the market remains strong.

Review of Operation Energy Business・Asset Management Business・Other Businesses

Review of Operations

Energy Business ・ Asset Management Business ・ Other Businesses

- **Energy business:Sale of facilities not yet implemented. In electricity sales, the amount of electricity sold fell short of expectations due to higher-than-expected costs incurred for cable theft prevention and repairs.**
- **AM business:Sales increased significantly due to private fund formation.**

(Millions of yen)

			Year Ended March 31, 2024 Actual	Year Ended March 31, 2024 Actual	YoY Change	Year Ended March 31, 2025 Initial Target	vs. Plan Change
Energy Business	Facilities sale	Net sales	3,677	–	–	2,000	–
		Gross profit	1,100	–	–	530	–
		Gross margin	29.9%	–	–	26.5%	–
	Electricity sale	Net sales	10,172	9,921	△2.5%	10,700	△7.3%
		Gross profit	3,261	2,551	△21.8%	3,900	△34.6%
		Gross margin	32.1%	25.7%	△6.4P	36.4%	△10.7P
	Operating generation scale(cumulative)		363MW	385MW	22MW	400MW	△15MW
Assets Management Business	Net sales		734	1,162	58.2%	900	29.2%
	Gross margin		81.0%	80.4%	△0.6P	77.8%	2.6P
Other Businesses	Net sales		7,805	6,927	△11.2%	7,240	△4.3%
	Gross margin		0.3%	5.4%	5.1P	12.6%	△7.2P

In the energy business, sale of facilities was cancelled and not yet implemented. In electricity sales, gross margin declined due to unseasonable weather, and losses and repair costs due to cable theft. We recognize this as one-time cost and do not expect them to incur in the current fiscal year and beyond.

In the asset management business, both sales and income increased led by the private fund formation. In other businesses, the construction business fell short of the plan due to the impact of rising costs.

Full Year Consolidated Statements of Operations for the Year Ending March 31, 2026

Full Year Consolidated Statements of Operations for the Year Ending March 31, 2026

(Millions of yen)	Year Ended March 31, 2025 Actual	Year Ending March 31, 2026 Forecast	YoY Change
Net sales	196,523	216,400	10.1%
Cost of sales	154,212	172,000	11.5%
Gross profit	42,311	44,400	4.9%
Selling, general and administrative expenses	27,946	28,900	3.4%
Operating income	14,364	15,500	7.9%
Ordinary income	12,427	12,000	△3.4%
Net profit attributable to owners of the parent	8,207	8,000	△2.5%
WACC	2.9%	—	—
ROIC	3.4%	3.2%	△0.2P

※ROIC = after-tax Operating income ÷ invested capital (invested capital = interest-bearing debt + equity attributable to owners of the parent)
※WACC = Cost of debt × (1-T) × D/ (D + E) + Cost of Shareholders' equity × E/ (D + E) (T: Estimated at the effective tax rate [30.9%]) D: E interest-bearing debt: Equity attributable to owners of the parent

I would like to explain our full-year earnings forecast. This fiscal year is the first year of our new Medium-Term Management Plan.

We plan to achieve 216,400 million yen in net sales, 15,500 million yen in operating income, 12,000 million yen in ordinary income, and 8,000 million yen in net profit attributable to owners of the parent. We expect a slight decrease in profit compared to the previous year. ROIC is projected to be 3.2 percent.

Year Ending March 31, 2026 Full Year Performance Forecasts by Segment
Net Sales/Gross Profit/Operating Income

Year Ending March 31, 2026 Full Year Performance Forecasts by Segment
Net Sales/Gross Profit/Operating Income

- **Real Estate Business : Stable profits.**
- **Energy Business : No facility sales are expected and the number of power plants in operation is expected to increase.**
- **AM Business : Strengthen the operational structure in line with the expansion of AUM.**

(Millions of yen)		Year Ended March 31, 2025 Actual	Year Ending March 31, 2026 Forecast	YoY Change
Real Estate Business	Net sales	178,512	194,600	9.0%
	Gross profit	38,451	39,500	2.7%
	Operating income	13,130	13,590	3.5%
Energy Business	Net sales	9,921	11,670	17.6%
	Gross profit	2,551	2,950	15.6%
	Operating income	1,110	1,350	21.6%
Asset Management Business	Net sales	1,162	1,190	2.4%
	Gross profit	934	970	3.8%
	Operating income	268	280	4.4%
Other Businesses	Net sales	6,927	8,940	29.1%
	Gross profit	373	980	162.7%
	Operating income	△144	280	–
Total Total	Net sales	196,523	216,400	10.1%
	Gross profit	42,311	44,400	4.9%
	Operating income	14,364	15,500	7.9%

Next is about the figures by segment. In the real estate business, we expect a slight increase over the previous year. In the energy business, we do not incorporate the effects of unseasonable weather, cable theft, and other factors, and plan to increase both sales and income.

In the asset management business, we expect to increase both sales and income by strengthening the business structure. In other businesses, we plan to turn positive in terms of operating income, backed by strong occupancy rates at existing hotels.

Full Year Forecast for the Fiscal Year Ending March 31, 2026 Real Estate Business — (2) New built-for-sale condominium

Full Year Forecast for the Fiscal Year Ending March 31, 2026

Real Estate Business — ② New built-for-sale condominium

Progress of new condominium contracts

	Year Ended March 31, 2024			Year Ended March 31, 2025			Year Ending March 31, 2026		
	Full year Planning	Beginning of period Time point	Progress rate	Full year Planning	Beginning of period Time point	Progress rate	Full year Planning	Beginning of period Time point	Progress rate
Current delivery	2,200 Units (2,050 Units)	1,423 Units (1,322 Units)	64.7% (64.5%)	2,200 Units (2,150 Units)	1,353 Units (1,311 Units)	61.5% (61.0%)	2,820 Units (2,150 Units)	1,349 Units (1,005 Units)	47.8% (46.7%)
Next term delivery amount	2,200 Units	277 Units	12.6%	2,200 Units	148 Units	6.7%	—	300 Units	—

※ Figures in parentheses exclude JV units and contract progress rate

Completion schedule

	Year Ended March 31, 2025	Year Ending March 31, 2026
Units sold	2,339 Units	2,820 Units
Sales ratio of metropolitan areas	44.1%	44.5%

※ Major metropolitan areas: Tokyo metropolitan area, Chubu area, Kinki area

	Year Ended March 31, 2025 Units sold	Year Ending March 31, 2026 Units completed
1st quarter	388 Units	67 Units
2nd quarter	571 Units	127 Units
3rd quarter	219 Units	918 Units
4th quarter	1,161 Units	1,986 Units
Total	2.339 Units	3,098Units
Ratio of metropolitan areas	44.1%	45.4%

This is the progress of new condominium contracts. We plan to deliver 2,820 units this fiscal year. As of the beginning of the period, 1,349 units, or about 48%, have already been contracted. As for the units to be delivered in the next fiscal year, 300 units are under contract as of the beginning of the fiscal year.

The completion schedule, as in past years, is concentrated in the second half of the year. In particular, the number of units completed will be biased toward the fourth quarter, and we hope that you are aware that sales will be similarly biased.

That is all for the explanation of the financial results.

Our Purpose・Long-Term Vision

I will now explain our new Medium-Term Management Plan for three years starting from this fiscal year.

First, I would like to talk about Our Purpose and Long-Term Vision. The Group's purpose is "to design sustainable environment for a happier future for both people and our planet."

This was formulated when the company was renamed from Takara Leben Co., Ltd. to MIRARTH HOLDINGS, Inc. in October 2022, upon transition to a holding company structure. It embodies the Group's determination to grow again into a future environment design company from a comprehensive real estate developer.

In order to carry out specific corporate activities based on the Purpose, we have set forth a long-term vision through 2030, namely "Be the Takara of the community." This long-term vision was formulated through discussions among the Group's executive officers.

Internally, each director is expressing his or her thoughts on this long-term vision in a relay format to enable the Group's employees consider the vision relevant to their work so as to instill this vision.

Review of the Medium-Term Management Plan

Review of the Medium-term Management Plan

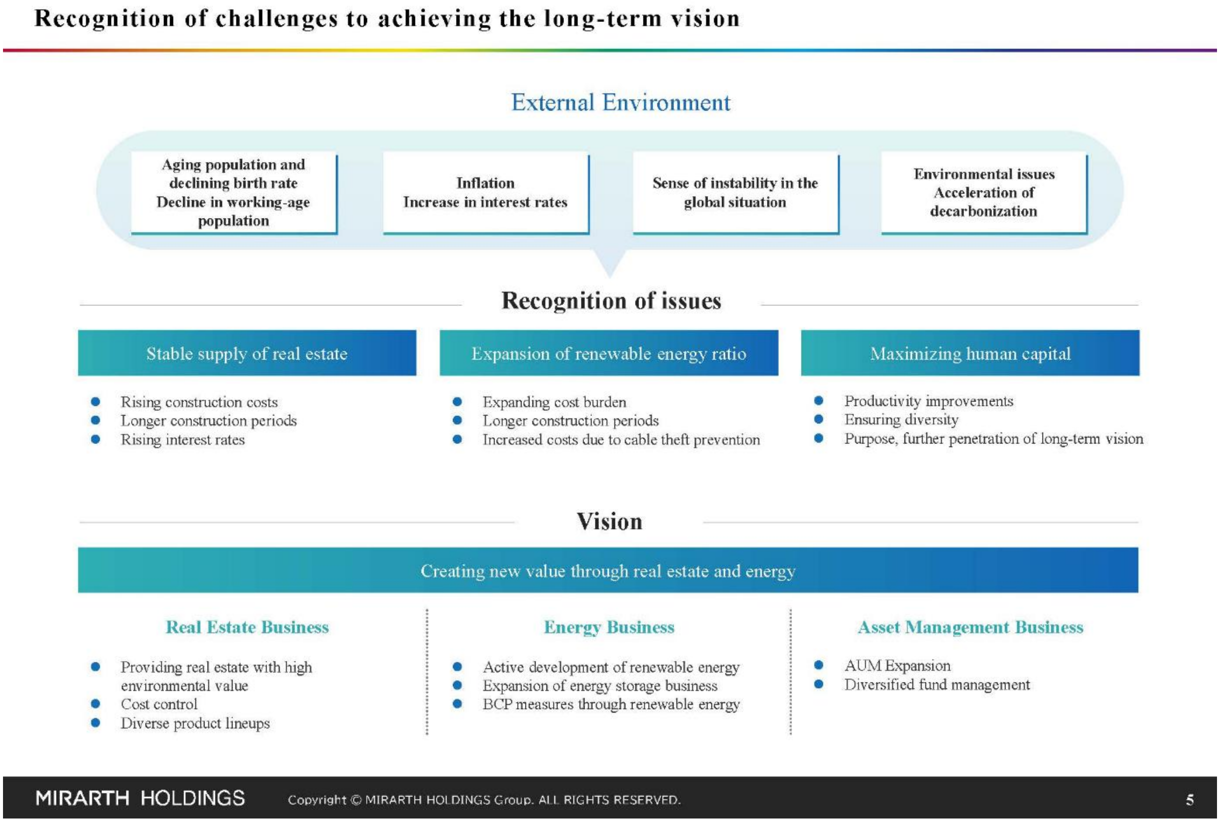
Seven Pillars of the Medium-term Management Plan		Achievements	Ongoing Challenges
1	Further growth of core businesses	In Japan, we have expanded urban redevelopment projects and promising construction projects throughout the country to promote community-based urban development. Overseas, we have leveraged the expertise we cultivated in Japan to develop condominium businesses in Vietnam, Thailand, and the Philippines.	Longer balance sheet retention periods due to inflation and longer construction periods.
2	Maximized group synergies	We have strengthened the asset management business and expanded the scale of assets by taking a pipeline of extensive and diverse income-producing properties that take advantage of our development capabilities in the core real estate business, and selling them to REITs.	Started developing products that exploit synergies between the real estate and energy business. Cost control for implementation in all projects.
3	Optimized business portfolio	To achieve further growth in the future, we have created a roadmap to 2030 that aims to break away from a business portfolio that relies solely on the real estate business and make the energy business the second pillar of our operations.	Lower than expected share of the energy business in the portfolio. Need to increase the amount of development.
4	Establishment of a stable financial ground	Developed a scheme to secure stable recurring income despite increase in borrowings, etc. as a result of making a tender offer bid (TOB) for Takara Leben Infrastructure Investment Corporation. A V-shaped recovery is expected from the fiscal year ending March 31, 2025.	Although the implementation of TOB for Takara Leben Infrastructure Investment Corporation caused a temporary decline in the capital adequacy ratio, the subsequent public offering (PO) helped the ratio recover to the 20% range. We will strengthen our financial base with a stable target of 23%.
5	Improvement of productivity and creation of new services through promotion of DX	Aiming to unify platforms in the Group, we have built a one-time-only system, a multi-tiered platform, and an end-to-end integrated system, and so on.	The promotion of DX helped to improve operational productivity, but did not lead to the creation of new services.
6	Proactive ESG considerations	CO2 emission reduction targets were established to achieve carbon neutrality. We collected data from each company and disclosed Scope 3 emissions.	TNFD compliance will be promoted in the future.
7	Personnel development and establishment of the rewarding workplace environment	We actively invested in human capital. We increased employee base salaries and starting salaries for new graduate hires. We are cultivating young employees who will lead the next generation by conducting selective training to foster problem-solving thinking from a manager's perspective.	Further strengthening of human capital. Increased productivity through optimised allocation of Group personnel.

MIRARTH HOLDINGS 4

This summarizes the review of the previous Medium-Term Management Plan (hereinafter, the "previous Medium-Term Plan"). The previous Medium-Term Plan was for four-years and comprised of seven pillars.

We have generally made good progress in each of these pillars, but there are some ongoing challenges that we intend to address in the new Medium-Term Management Plan.

Recognition of challenges to achieving the long-term vision



This is our recognition of the challenges we face. First, we recognize three issues of external environment which are aging population and declining birth rate, decline in working age population, and sense of instability in the global situation.

We will build a solid structure to enable a stable supply of real estate even while the external environment drives up construction costs. In addition, we will further expand the renewable energy ratio amid the trend toward decarbonization. Furthermore, we will work to maximize human capital to improve productivity and ensure diversity.

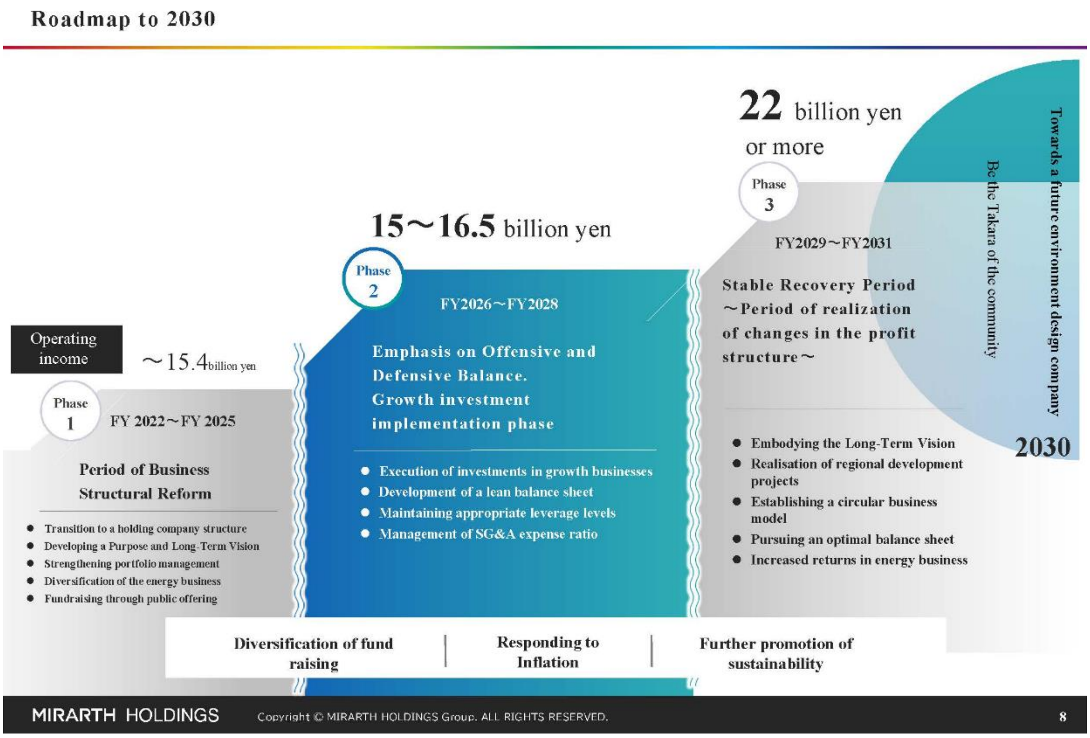
By firmly addressing these three issues, we aim to create new value through each of our businesses.

Basic Policies in the Medium-Term Management Plan

Next, I would like to explain our basic policies in the Medium-Term Management Plan (hereinafter, the “Medium-Term Plan"). In terms of key themes for management foundations, we are considering further promotion of sustainability, pursuit of capital efficiency, and increased stakeholder engagement.

In addition, the key themes for business strategy are improved productivity and profitability, active investment in cash-generating businesses, and business portfolio optimization. To address these themes, we have established three basic strategies of financial, non-financial, and business strategies. I will explain each of them in detail later.

Roadmap to 2030



This is the roadmap to 2030. The four-year period of the previous Medium-Term Plan was designated as Phase 1, the current Medium-Term Plan as Phase 2, and the three-year period beyond that as Phase 3.

Phase 1 for the previous Medium-Term Plan, was a period of business structural reform, during which we transitioned to a holding company structure, developed our Purpose and Long-Term Vision, diversified the energy business, and raised funds through public offering.

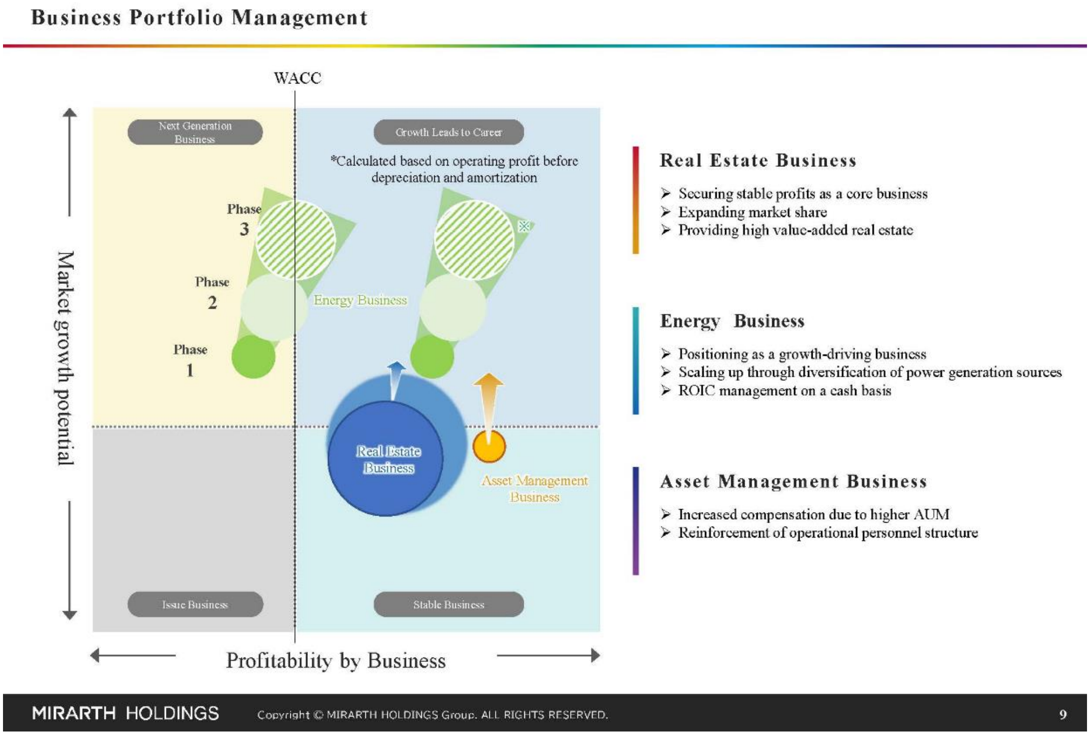
Based on these measures, we see Phase 2, the current Medium-Term Plan, as a period for implementing growth investment with an emphasis on offensive and defensive balance.

We aim to develop a lean balance sheet and maintain appropriate leverage levels, while effectively utilizing public offerings, external financing, and other means to make investments. As for investment targets, we intend to invest more aggressively in the energy business as well as the real estate business.

And in Phase 3, we believe the results of the investments made in Phase 2 will become evident. We will increase the operating income from the second half of Phase 2 to Phase 3.

We aim to achieve operating income of 22 billion yen or more in Phase 3 by implementing “Be the Takara of the community,” our long-term vision for achieving the Purpose.

Business Portfolio Management



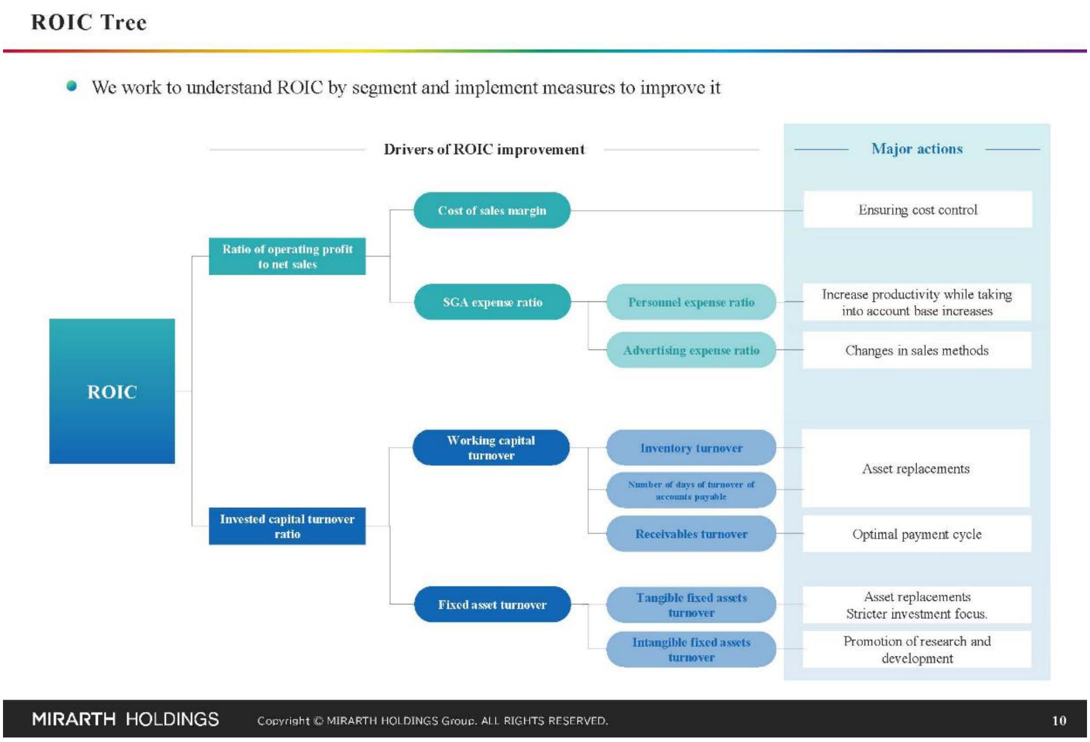
Let me explain our business portfolio. In the diagram on the slide, each business segment is positioned with market growth potential on the vertical axis and profitability by business on the horizontal axis.

The real estate business as a core business is stable and gains large profit as a fundamental business. On the other hand, the energy business, which is our next growth driver, has significant market growth potential, but its profitability is currently below WACC on an operating income basis.

The energy business tends to have a higher annual depreciation expense due to the fact that its depreciation years are shorter than those of real estate. Therefore, profitability is lower on a P/L basis. However, as indicated by the green circle on the right side of the graph, on a profit basis before depreciation and amortization, profitability is higher than that of the real estate business.

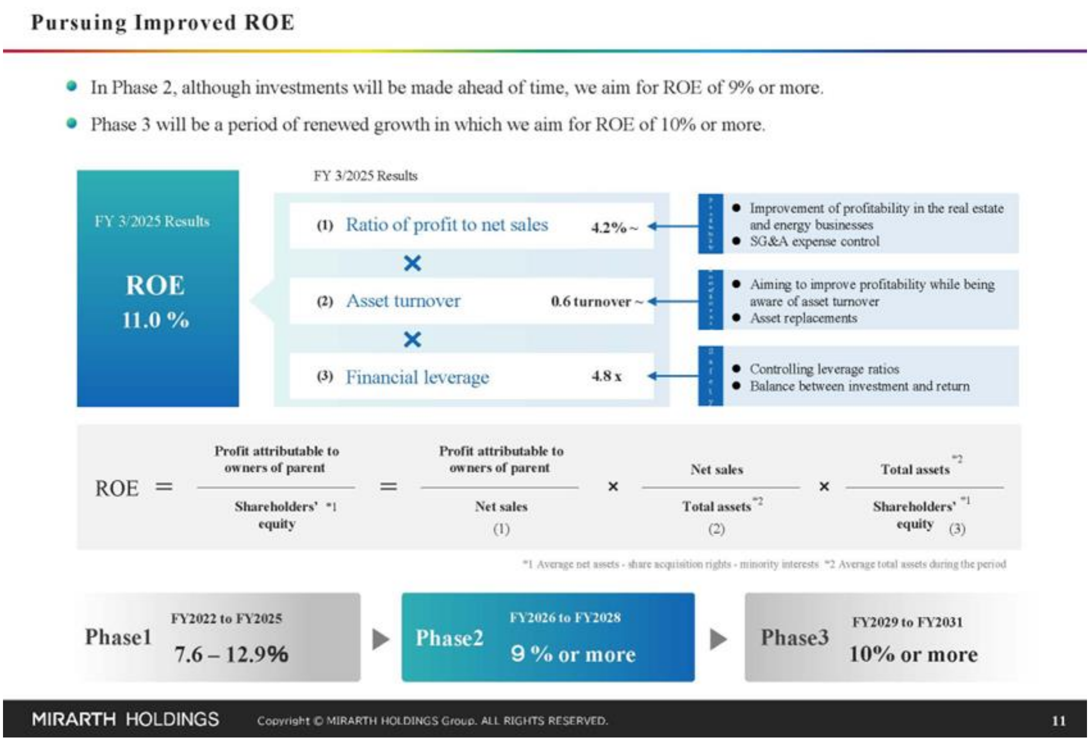
As a growth-driving business, we intend to use the funds raised through the public offering and other sources to actively invest in the business and make it the second segment after real estate to contribute to earnings.

ROIC Tree



ROIC is set as a measure of profitability. We will pursue efficiency and profitability with an eye toward ROIC management by business segment. Priority measures will include increasing productivity, asset replacements, and reduction of finished goods inventories.

Pursuing Improved ROE



We have also set the ROE target. For Phase 2 and beyond, we are targeting ROE of 9 percent or more. Although we are in the growth investment phase, we aim to achieve this target by improving profitability by increasing asset turnover while adhering to financial discipline. In Phase 3, the ROE target is set at 10 percent or more.

Key Management Indicators

Key Management Indicators

- Stable capital ratios are maintained while leverage levels are controlled

	FY2025/3 Actual Results	Objectives
Equity ratio (%)	22.3 %	23% or more (at the end of FY2028/3)
LTV(%) ※	60.9 %	Less than 65 %
D/E Ratio (times)	2.5 times	3.0 times
ROE(%)	11.0 %	9% or more

※ LTV : Loan to Value

Overall Summary (Millions of yen)

	FY2025/3 Actual Results	FY2026/3 Forecast	FY2027/3 Forecast	FY2028/3 Forecast
Net sales	196,523	216,400	228,700	245,200
Gross profit	42,311	44,400	45,000	47,650
Operating income	14,364	15,500	15,000	16,650
Ordinary income	12,427	12,000	12,100	13,650
Profit attributable to owners of parent	8,207	8,000	8,000	9,000
EBITDA※	19,600	20,900	20,600	22,450

※ EBITDA＝operating income＋ depreciation expense

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Management indicators and profit and loss are described here. As for management indicators, we will continue achieving the four indicators as we did in the previous Medium-Term Plan. We have set the equity ratio at 23% or more, LTV at less than 65%, D/E ratio at less than 3.0 times, and ROE at 9% or more.

The lower part of the slide shows the profit and loss. In the fiscal years ending March 31, 2026 and 2027, we are planning the same amount of profit because the contribution from the energy business is not yet significant, but in the fiscal year ending March 31, 2028, the final year of the current Medium-Term Plan, we are targeting a record-high profit of 9,000 million yen.

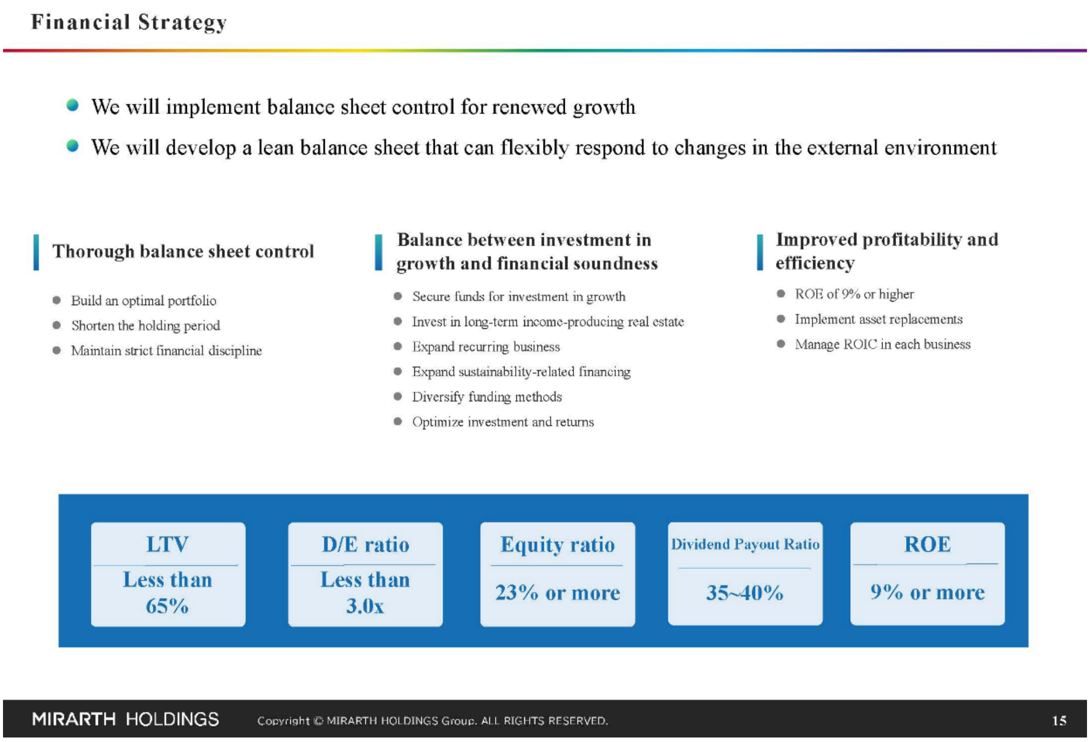
Medium-Term Management Plan Segment Targets

The graphs show net sales and operating income by business segment. In the real estate business, we are building a structure that allows us aim for stable operating income of 14.0 billion yen or more, based on the new built-for-sale condominium as the core business.

In the energy business, we are targeting operating income of 1.7 billion yen and operating income of 7.0 billion yen on an EBITDA basis after adding back depreciation and amortization, by increasing the number of operating power plants and developing energy storage plants.

In the asset management business, we expect steady growth as AUM expands. In other businesses, we expect hotel operations to contribute to earnings.

Financial Strategy



From here, we will explain various strategies. First, the financial strategy. We will develop a lean balance sheet by implementing balance sheet control in anticipation of Phase 3.

As our main strategies, we will aim for improved profitability and efficiency, thorough balance sheet control, and balance between investment in growth and financial soundness.

The indicators in the lower part of the slide reiterate the management indicators mentioned earlier. In particular, we are flexible with respect to leverage levels during the period, but we intend to control them tightly at the end of each period.

Shareholder Return Policy

Shareholder Return Policy

Basic policy on shareholder returns

Our group recognizes that the return of profits to shareholders is one of the most important management issues, and its policy is to return cash through stable dividends while implementing the use of cash with a focus on growth.

Medium-term management plan shareholder return policy.

- Positioning shareholder returns as one of our top priorities
- Dividend payout ratio revised upwards from 30-35% to 35-40%. Stable and continuous payment of appropriate dividends in line with performance.
- In the second and subsequent years, the dividend per share is set at no less than 21 yen per share in the first year.

Previous medium-term management plan		New medium-term management plan
30～35%	▶	35～40%

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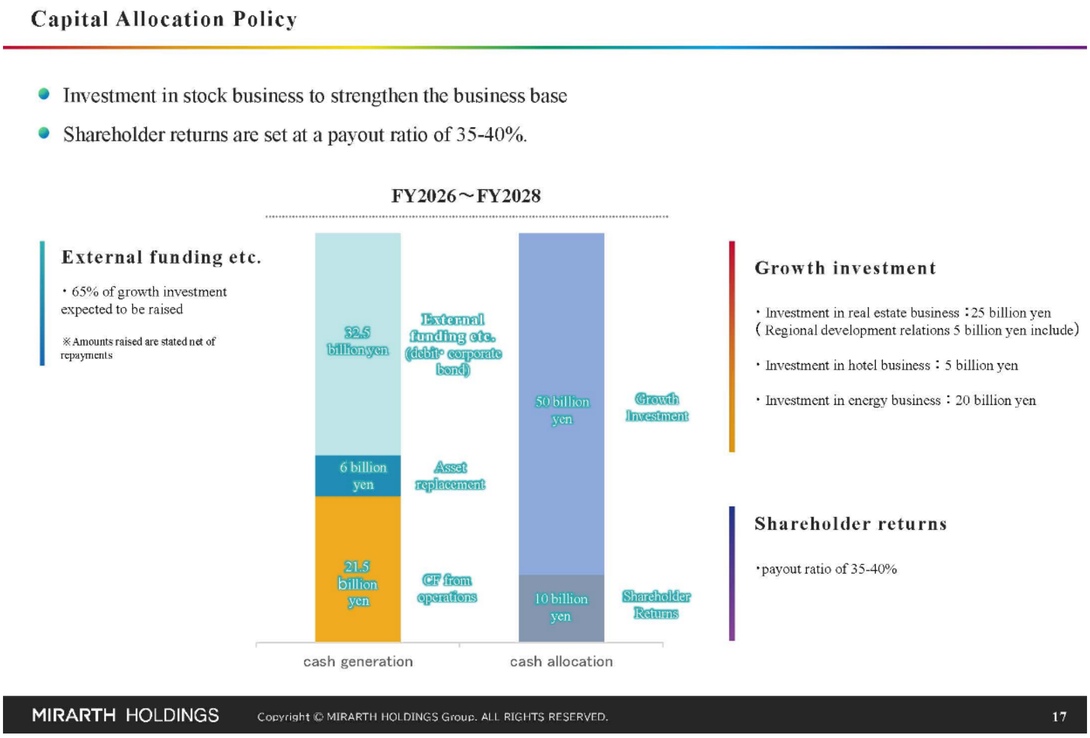
This shows shareholder returns. Our basic policy is to return profits to shareholders through stable dividends, and in the current Medium-Term Plan, we will return profits to shareholders at a targeted dividend payout ratio.

In the previous Medium-Term Plan, the dividend payout ratio was set in the range of 30% to 35%, but in the current Medium-Term Plan, the ratio has been increased to the range of 35% to 40%. In the second and subsequent fiscal years, we will retain the dividend level.

Capital Allocation Policy

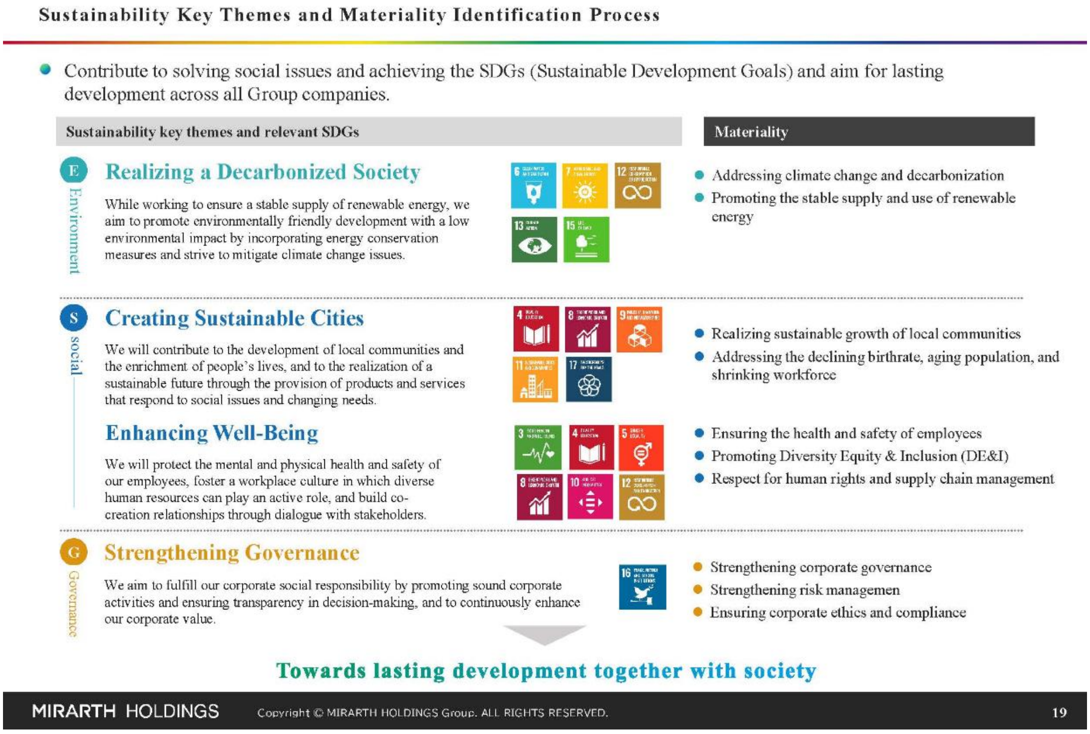


I will now explain the capital allocation. First, the graph on the left of the slide shows cash generation. We plan to generate over the three-year period, approximately 21.5 billion yen in cash flow from operations, approximately 6.0 billion yen from asset replacement, and approximately 32.5 billion yen from external funding, in total of approximately 60.0 billion yen.

The amount of external financing is the net of the increase in borrowings and the decrease in repayments.

Of this approximately 60.0 billion yen, approximately 10 billion yen will be distributed to shareholders as dividends, and the remaining approximately 50 billion yen will be allocated to growth investment. For growth investment we plan to allocate 25 billion yen to the real estate business. This includes investment of 5 billion yen related to regional development. In addition, we plan to invest 5 billion yen in the hotel business and 20 billion yen in the energy business.

Sustainability Key Themes and Materiality Identification Process



Next, I will explain our non-financial strategy. The slides show the Group's key sustainability themes and materiality.

Our group will promote sustainability management based on our Purpose. We have identified key themes and 15 topics for materiality, and will strive to achieve various KPIs to achieve sustainable growth for the entire group.

Sustainability (E: Environment)

Sustainability (E: Environment)

Creating a decarbonized society

Materiality	KPI
Addressing Climate Change and Decarbonization	CO_2 emission reduction rate (Scope 1,2 and 3)
	Number of internal initiatives contributing to energy conservation
	Active development of refurbished and renovated condominiums
Promote stable supply and use of renewable energy	Total scale of renewable energy generation
	Acquisition of environmental performance certifications
	Adoption rate of ZEH level in detached houses
	Promoting the use of renewable energy in the new condominium business

*1
Scope 1: Direct emissions of greenhouse gases by businesses themselves (combustion of fuels such as city gas).
Scope 2: Indirect greenhouse gas emissions resulting from the use of electric power, heat and steam supplied by other companies
Scope 3: Indirect greenhouse gas emissions, which does not fall under Scopes 1 and 2 (emissions from other companies associated with the activities of the reporting company)
*2 Scope 1 and Scope 2 are to be reduced by 70% by FY2030.
*3 Neutralize residual emissions by utilizing forest-derived absorption and carbon removal technologies outside the value chain.

Setting Group-wide goals to achieve a decarbonized society

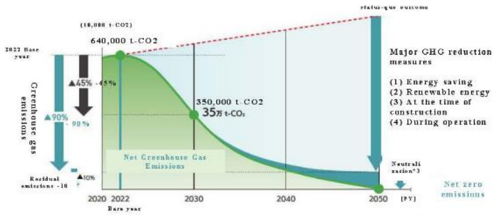
MIRARTH Holdings has set a goal of reducing greenhouse gas emissions from its business activities by 45% by FY2030 and to net zero by FY2050.
To achieve our medium- and long-term targets, we are working to implement energy-saving measures, utilize renewable energy, and reduce GHG emissions during construction and operation as reduction measures.

MIRARTH Holdings Group's Goals to Achieve a Decarbonized Society
Group-wide greenhouse gas emissions

Achieving a 45% reduction by FY2030
(compared with FY2022 levels)

Achieving net zero emissions by FY2050
Scope 1, Scope 2, and Scope 3*1 are covered.

Conceptual Image of Greenhouse Gas Emission Reductions



On the environmental front, we will continue to address decarbonization and promote stable supply and use of renewable energy. We aim to achieve net-zero greenhouse gas emissions by FY2050 for the entire group.

Sustainability (S: Society / G: Governance)

Sustainability (S: Society / G: Governance)

Sustainable urban development

Materiality	KPI
Realizing sustainable growth in local communities	Number of housing supply projects abroad
	Number of redevelopment/reconstruction projects undertaken
	Satisfaction survey on condominium management services
	Number of nonconformities related to business processes and quality standards
Addressing the declining birthrate, aging population, and shrinking workforce	Training hours per person
	Promoting the acquisition of DX Business Certification
	Proposing new lifestyle services

Improvement of well-being

Materiality	KPI
Ensuring the health and safety of employees	Percentage of employees undergoing stress checks
	Ratio of employees who took paid leave
	Percentage of eligible male employees taking childcare leave
	Conducting special patrols (safety checks) at construction sites
Promoting diversity, equity and inclusion (DE&I)	Percentage of employees with disabilities
	Percentage of managerial positions filled by women
	Percentage of hires that are women
Addressing respect for human rights and the supply chain	Conducting safety meetings
	Developing a human rights due diligence system
	Implementing supply chain management

Strengthening of governance

Materiality	KPI
Enhancing corporate governance	Implementing evaluations of effectiveness of the Board of Directors
	Considering the introduction of clawback clauses
Strengthening risk management	Verification and management of key risks
	BCP manual development

Materiality	KPI
Ensuring corporate ethics and compliance	Conducting compliance training
	Conducting compliance surveys for all employees
	Whistleblower system awareness rate

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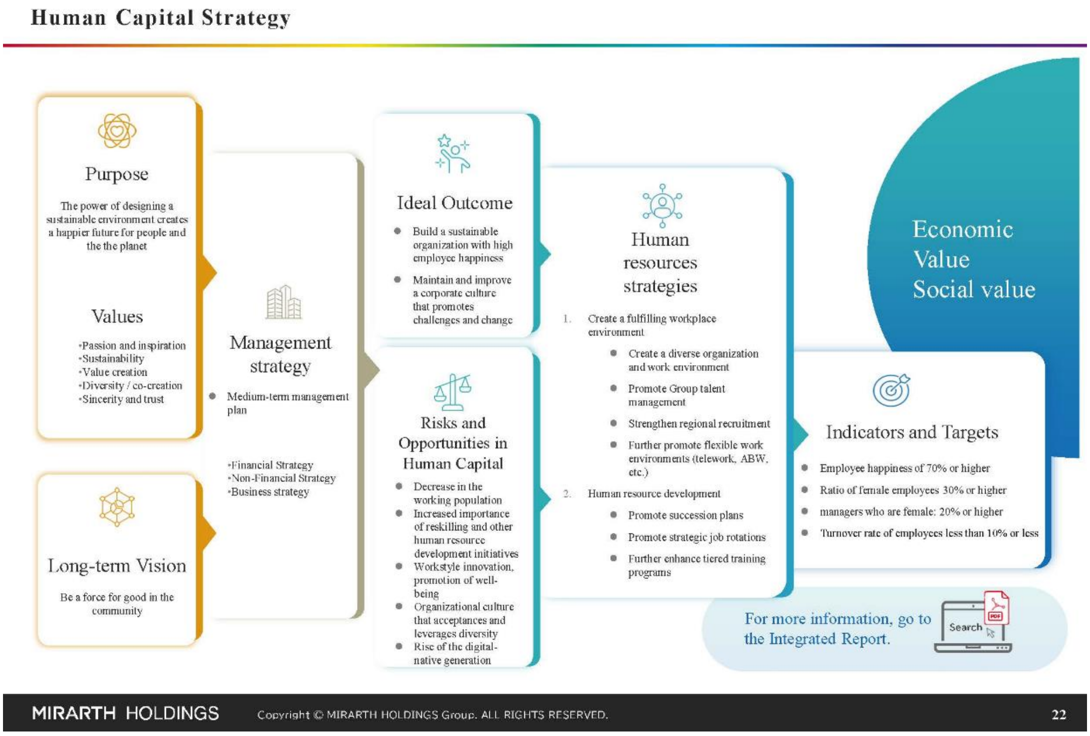
On the social front, we will promote sustainable urban development and improvement of well-being.

In terms of governance, we will continue to strengthen governance and risk management, which will be promoted throughout the group.

Human Capital Strategy



This is the overview of our human capital strategy, which is one of our key themes. The Medium-Term Management Plan is our management strategy based on our Purpose-driven values and long-term vision. In line with this, we have established our human resources strategies that define our ideal outcome and take into risks and opportunities.

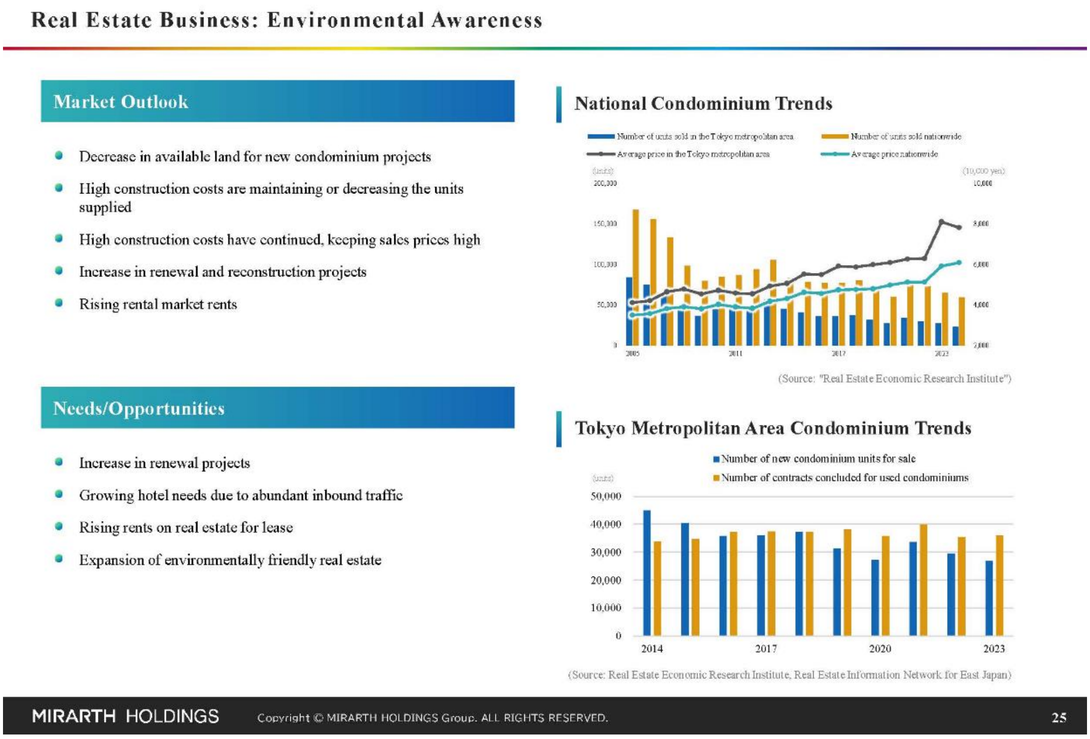
We have also set indicators and targets, and please refer to the Integrated Report for details.

Human capital is very important for improving corporate and social value. We will firmly address this as an important management theme.

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

Based on the above financial and non-financial strategies, the Group will continue to achieve sustainability management based on a trinity strategy of “Implementing Purpose Management,” “Reforming the Growth Structure,” and “Promoting ESG Management,” and aim to achieve sustainable growth and increase corporate value over the medium to long term.

Real Estate Business: Environmental Awareness



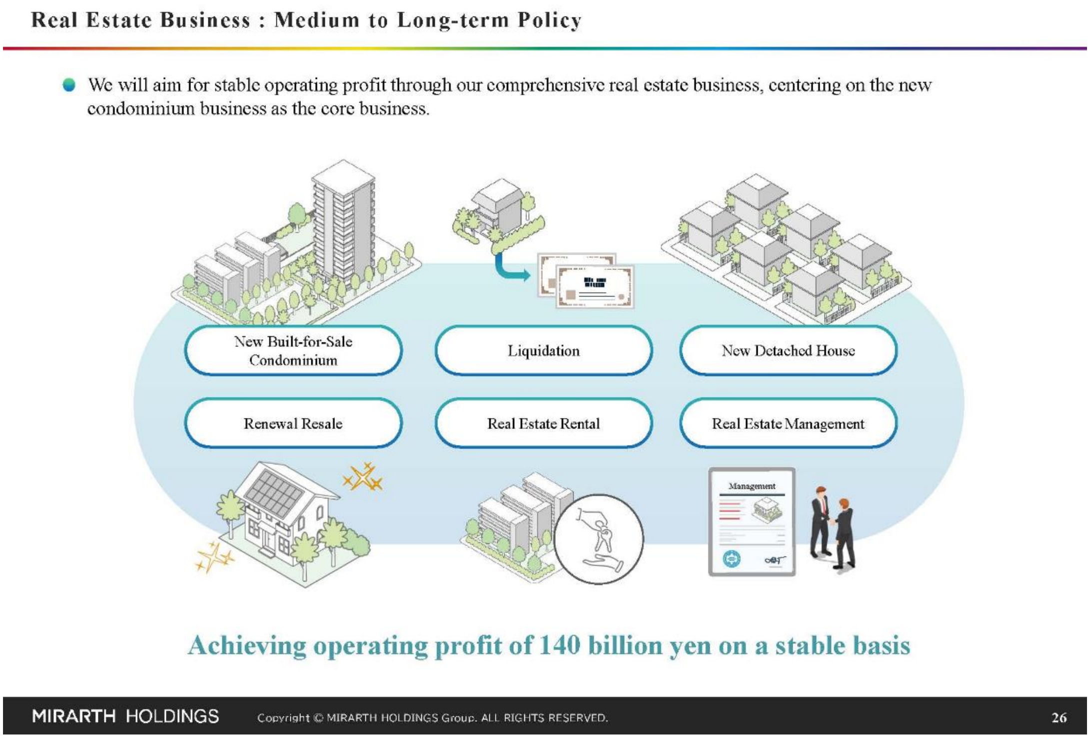
Let me explain our business strategy. First, the environmental awareness of the real estate business, which is our core business. As for the market outlook, new condominium projects are declining because it is extremely difficult to acquire available land for projects, especially in the Tokyo metropolitan area.

In addition, with construction costs persistently high or increasing slightly, the number of units supplied has either remained the same or is on a declining trend.

Therefore, we expect sales prices to remain high for the time being. Similarly, in the rental market, we expect rents to trend upward due to rising prices and other factors.

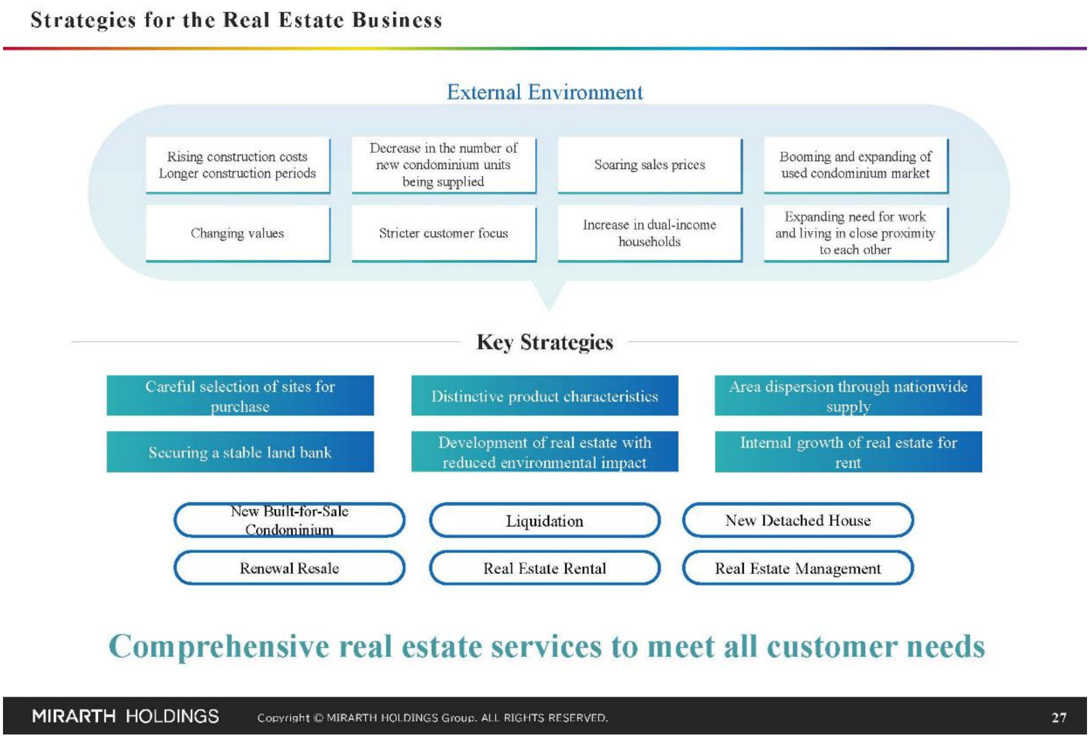
Despite this circumstance, as the graph in the lower part of the slide shows, we expect an increase in the number of pre-owned renewal projects. Furthermore, the demand for hotels is firm due to abundant inbound tourists, and we also expect stable growth in this area.

Real Estate Business: Medium to Long-term Policy



The medium to long-term policy of the Group's real estate business is to secure stable operating profit of 14.0 billion yen through comprehensive real estate services, including liquidation, renewal resale, rental, and management, centered on the new condominium business.

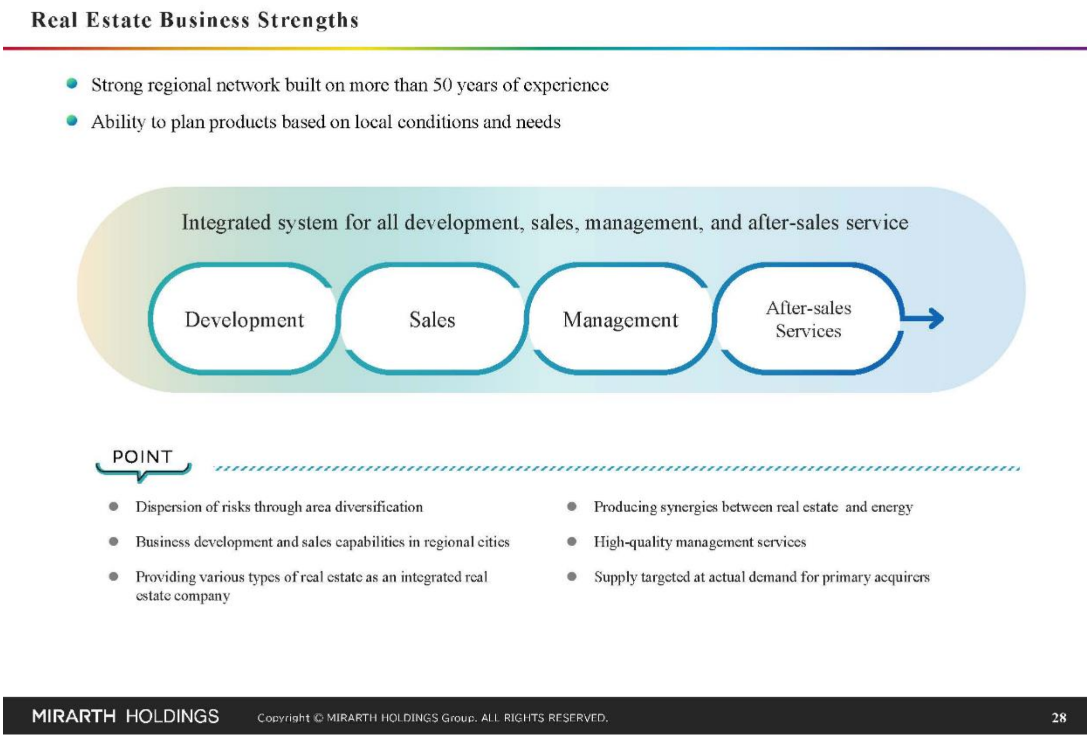
Strategies for the Real Estate Business



The key strategies are to carefully select sites for purchase that can withstand commercialization despite rising constructions costs, and to disperse areas through nationwide supply to secure a stable land bank.

We hope to cater to the needs of all customers with the Group’s comprehensive real estate services.

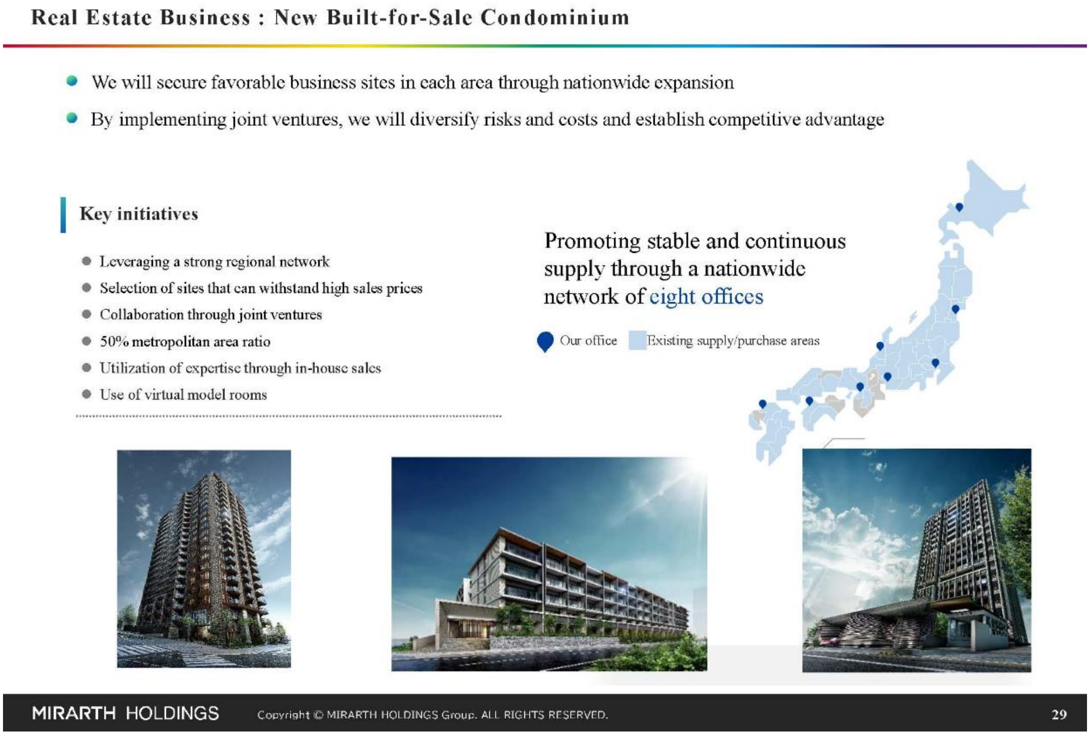
Real Estate Business Strengths



This shows the strengths of the Group's real estate business. We are differentiated based on our strong regional network built on more than 50 years of experience in site acquisition and product planning that accurately reflects the needs of each region.

We have established an integrated system within the Group, from site acquisition to sales, management, and after-sales services, and operates nationwide including small regional cities.

Real Estate Business: New Built-for-Sales Condominium

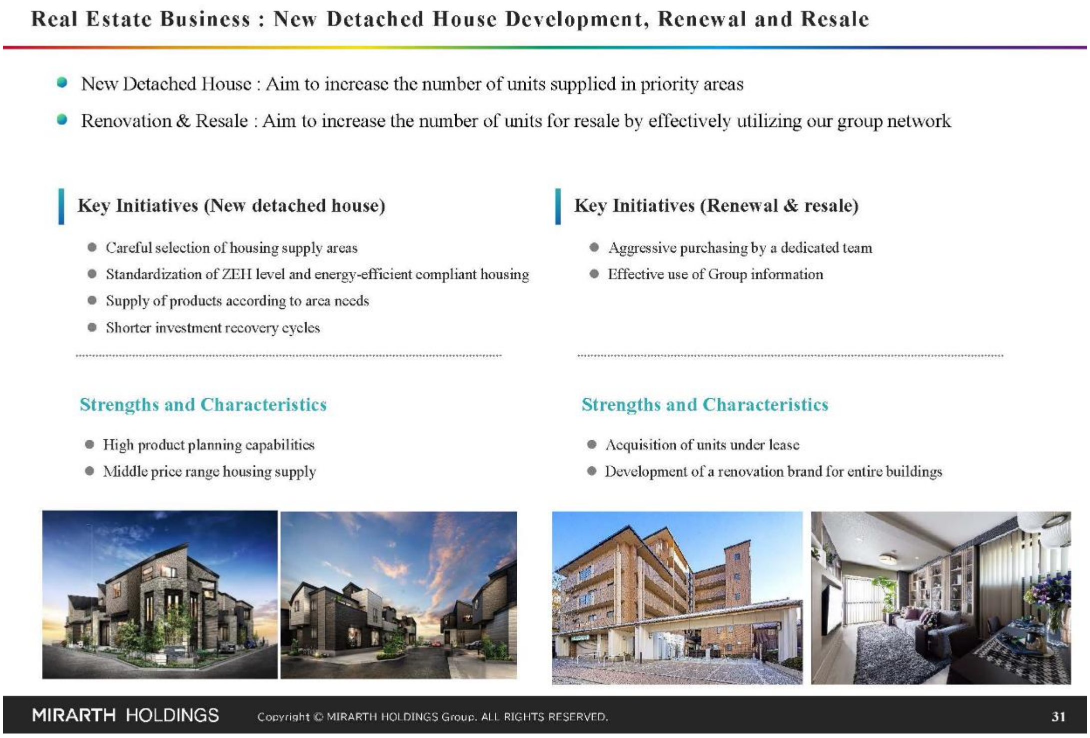


Now I will explain the real estate business by each category. First, in the new built-for-sale condominium, the core business, we have established competitive advantages by leveraging our strengths while diversifying risks and costs by strategically collaborating through joint ventures in recent years.

Real Estate Business: Liquidation

In liquidation, we will increase the short-term recovery ratio and improve the turnover rate. In addition to metropolitan areas, we will also promote the liquidation of mid-size assets in major cities nationwide.

Real Estate Business: New Detached House Development, Renewal and Resale



New detached houses development, renewal and resale have shorter investment recovery cycles and we will expand them to complement the new built-for-sale condominium which have longer construction period in recent years.

In the detached house business, while carefully selecting the supply areas, we will focus on supplying properties focused on the middle price range. In the renewal and resale business, we will further strengthen the acquisition of entire building renewal projects to develop and expand the existing “Le Art” brand.

Real Estate Business: Real Estate Rental and Management

We will continue to expand real estate rental and management as stable stock earnings. In the rental business, rents have recently trended upward, and we will promote rent revisions for our real estate owned to achieve internal growth as well.

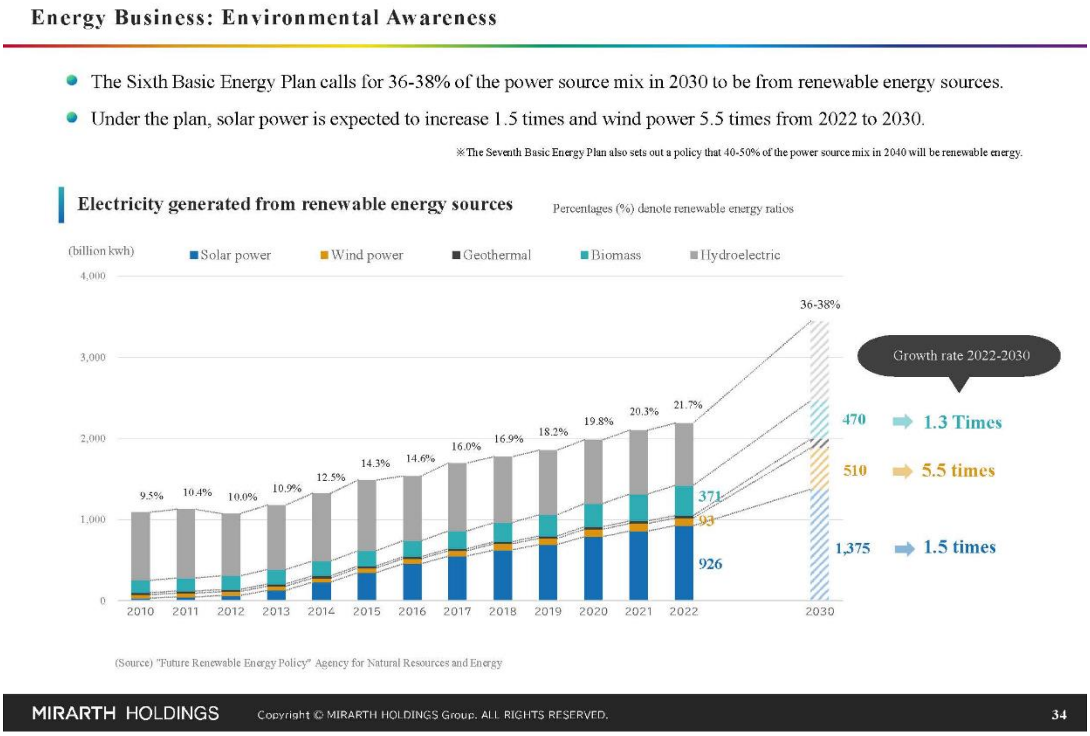
In the management business, we aim not only to increase the number of units under management, but also to achieve both cost reduction and improved management services to ensure appropriate margins.

Real Estate Business: Overseas / Other Businesses: Hotel Management

In the overseas business, we consider the three-year period in Phase 2 to be focused on recouping the investment we made in the three countries in Phase 1 under the previous Medium-Term Plan. We will reinvest to a certain extent from the investment recovered.

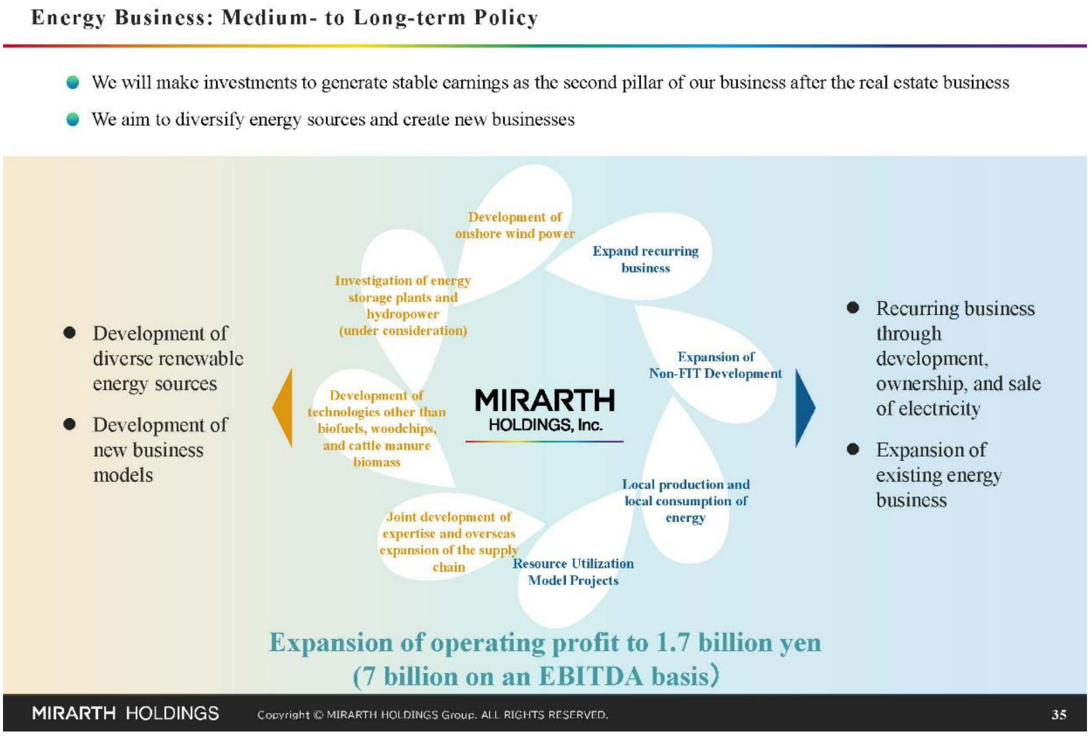
In the hotel management business, we aim to achieve 1 billion yen in operating profit from both ownership and operation by accelerating the development of lodging-specific hotels and strengthening the management system.

Energy Business: Environmental Awareness



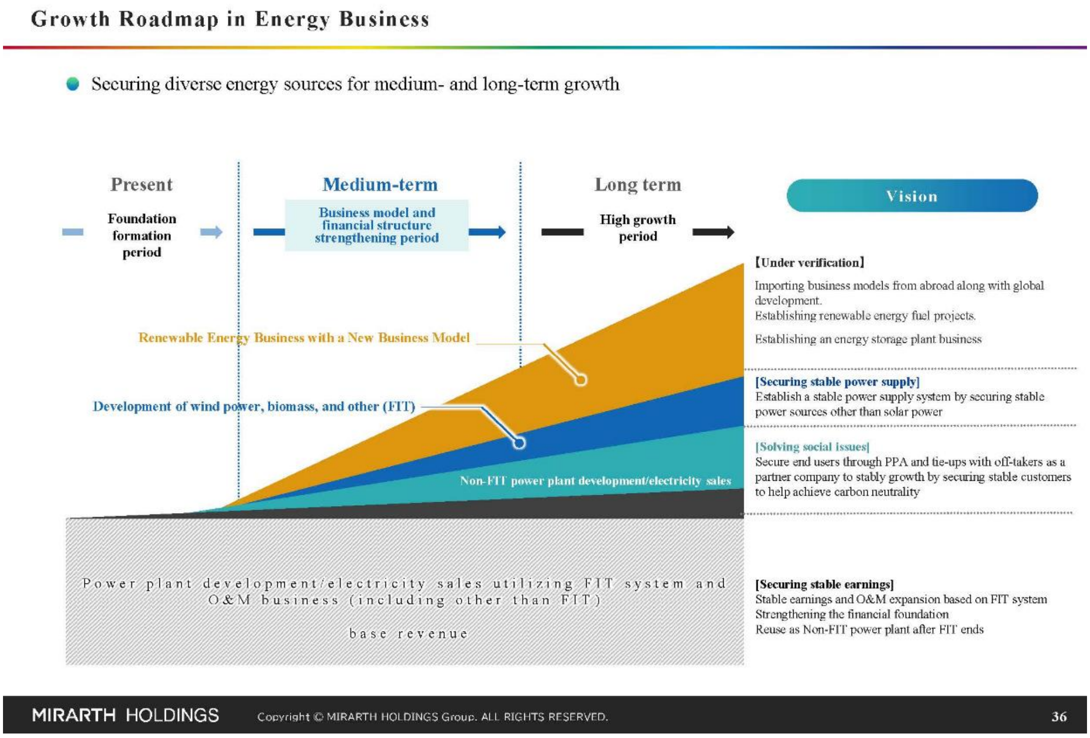
From here on, let me explain the energy business. First, the environmental awareness of the energy business. As the graph on the slide shows, amid the trend toward decarbonization, the electricity generated from solar power will increase by 1.5 times and from wind power by 5.5 times by 2030. Power generation from renewable energy sources will continue to grow significantly.

Energy Business: Medium- to Long-term Policy



The Group views the energy business as a new business pillar and will aggressively invest in this area. Solar power plants currently make up the majority of our portfolio, but in the future, we will diversify our power generation sources to include wind power, biomass, and energy storage plants, with the goal of achieving an operating profit of 1.7 billion yen and 7.0 billion yen on an EBITDA basis.

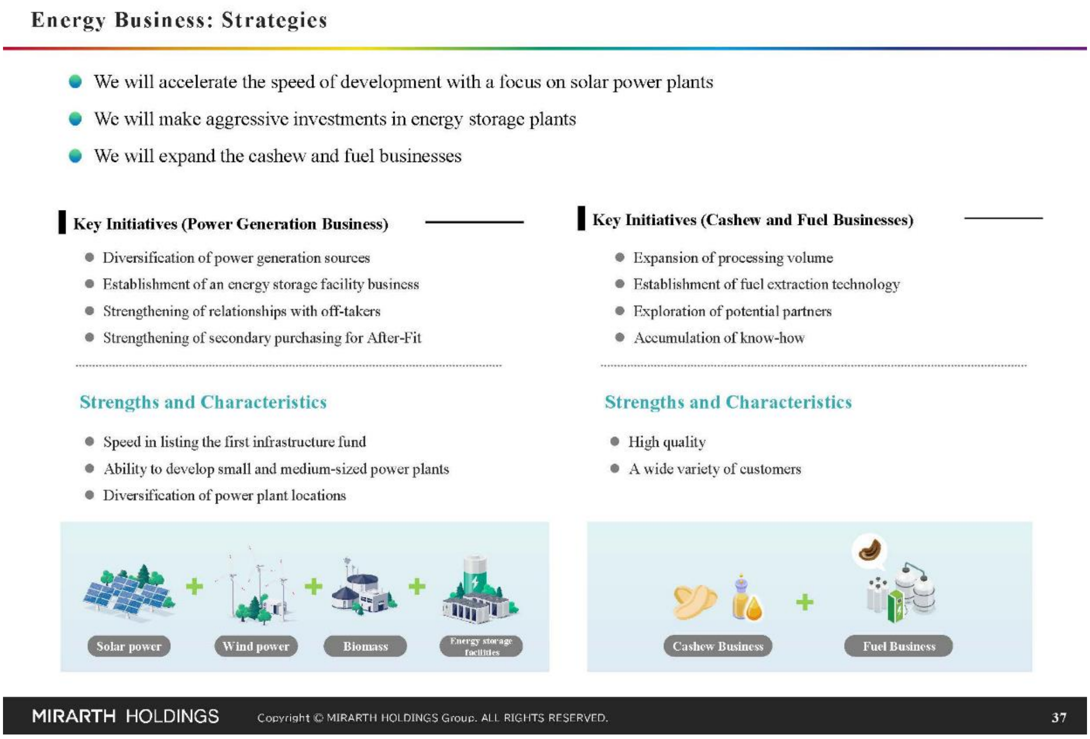
Growth Roadmap in Energy Business



The graph on the slide illustrates a medium- and long-term growth of energy sources. Our base revenue comes from the power plants utilizing the FIT system which contribute to stable earnings. In addition, non-FIT power plants, wind power, and biomass will expand.

We expect that the new business model will be mainly for the energy storage plant business. The energy storage facility business can utilize subsidies and it is expected to grow in the future due to its significant role as a backup power source.

Energy Business: Strategies

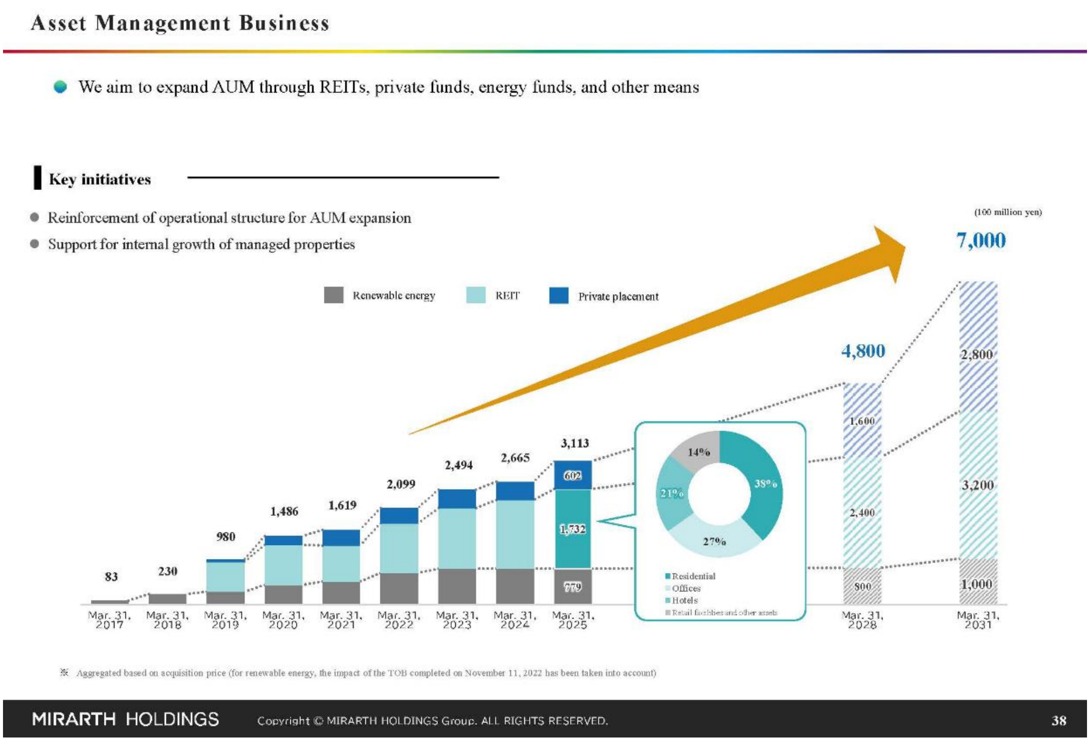


This shows our energy business strategies. We have already accelerated the speed of development, with a focus on solar power plants with PPA, and moreover, have started preparing for the full-scale commercialization of our energy storage plant business. We will continue to invest aggressively in this area.

In overseas, we are promoting the cashew business in Cambodia. This business is very promising, as it can be expanded into three business areas of food, fuel, and power generation. Cashew nuts for food products have been highly evaluated by buyers around the world, and we intend to further expand production.

We are also conducting R&D and analysis of the oil that can be extracted from cashew nut shells with a view to commercializing the oil as a fuel. This is also being promoted as a highly promising business. By utilizing the residue after the oil is squeezed out as biomass power generation fuel, we hope to lead this to a stable supply of renewable energy in the future.

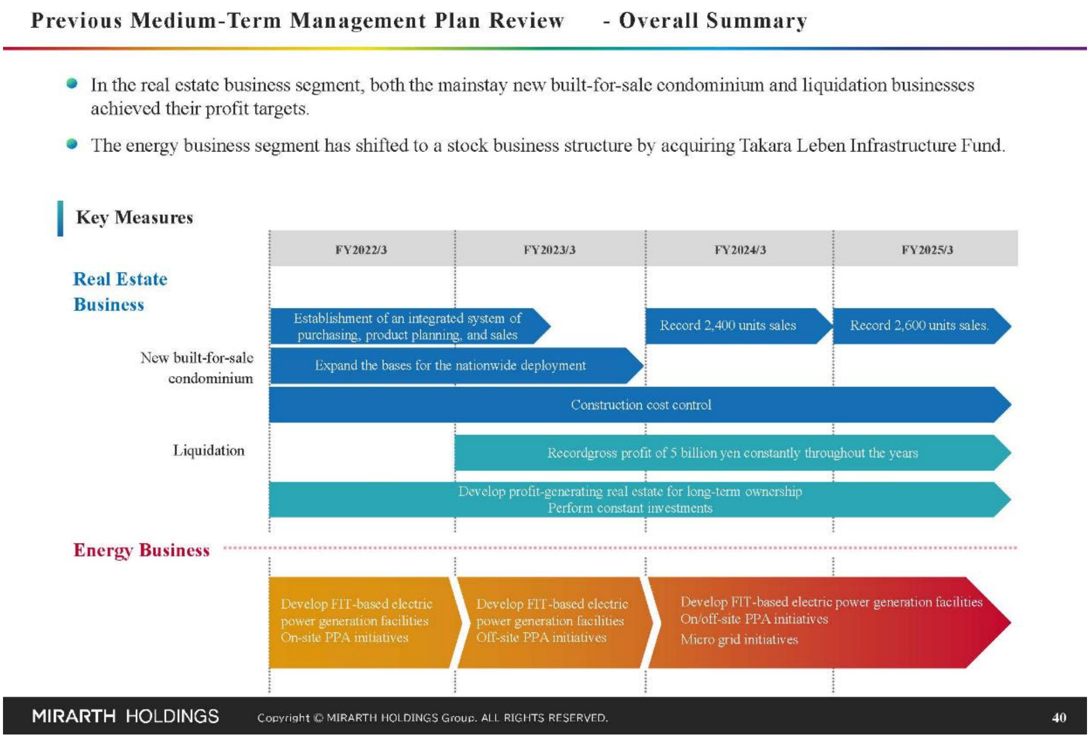
Asset Management Business



In the asset management business, we will continue to expand AUM, achieving our initial target of 300.0 billion yen in the fiscal year ended March 31, 2025. Going forward, we are targeting for 480.0 billion yen in the fiscal year ending March 2028, the final year of this Medium-Term Plan, and 700.0 billion yen in the fiscal year ending March 2031, in Phase 3.

We need to reinforce our operational structure and also seek to expand fee income by strengthening the structure of our asset management companies as well as driving internal growth of the existing managed properties.

Previous Medium-Term Management Plan Review - Overall Summary



The Appendix here shows a review of the previous Medium-Term Management Plan.

Let me explain on some points. First, as an overall summary, in the real estate business, the core business, both the new built-for-sale condominium and liquidation businesses achieved their profit targets. In contrast, the energy business failed to achieve the plan due to lower-than-expected PPA accumulation and increased costs such as those related with cable theft.

Previous Medium-Term Management Plan Review - Consolidated Income Statement

Previous Medium-Term Management Plan Review - Consolidated Income Statement

- Gross profit base was achieved, but due to an increase in SG&A expenses, operating income and beyond did not reach the target.
- Key management indicators were almost achieved.

Numerical Plan (million yen)

	FY2021/3 Results	Medium-term management plan: FY2025/3 Plan	Medium-term management plan: FY2025/3 Plan(as revised)	Medium-term management plan: FY2025/3 Results
Net sales	148,397	203,700	200,000	**196,523**
Gross profit	29,928	38,700	42,300	**42,311**
Operating income	10,789	15,700	17,000	**14,364**
Ordinary income	9,933	15,000	16,000	**12,427**
Net income attributable to owners of parent	4,693	10,000	10,700	**8,207**

Management Index(as revised)

	Before revision	FY2023/3 (as revised)	FY2024/3 Results	FY2025/3 Results
Equity ratio(%)	30% or more ※at the end of FY2025/3	**20% or more ※at the end of FY2025/3**	19.5%	22.3%
LTV(%)	less than 60%	**less than 65%**	62.4%	60.9%
D/E ratio(Times)	less than 2.5times	**less than 3.0times**	2.9	2.5
ROE(%)	13% or more	**Unchanged**	12.9%	11.0%

*LTV : Loan to Value

This slide shows the Numerical Plan and Management Index. The upper part of the slide compares the profit and loss plan and actual results for the final year of the Medium-Term Management Plan. Gross profit achieved the plan, operating income and other income underperformed due to an increase in SG&A expenses.

The lower part shows management index. The index was revised after the TOB to Takara Leben Infrastructure Fund Corporation was conducted. The revised equity ratio, LTV, and debt-to-equity ratio were achieved, while ROE was 11% below its target of 13% due to lower-than-expected operating income.

The review of the previous Medium-Term Management Plan is also described from this page onward, and we hope you will refer to it later.

This concludes my presentation of the Medium-term Management Plan. Thank you for your attention.

Q&A: Measures to prevent cable theft

Moderator: The question is as follows: “We understand you take preventive measures such as measures against electric cable theft as recently announced by Mitsui Sumitomo Insurance Company, Limited and Leben Community Co., Ltd. Do you take any other measures?”

Kensuke Suzuki: I am Kensuke Suzuki from the IR Office and let me answer the question. As preventive measures against cable theft, we strengthened cable covers or moved cables underground. We are taking physical measures to make it more difficult to steal cables.

Other than that, we are implementing measures apart from insurance, such as installing additional surveillance cameras and somewhat strengthening night-time guard patrol at large power plants.