



MIRAI
for
EARTH

MIRARTH HOLDINGS, Inc.

Medium-term Management Plan Update

FY2026–FY2028

March 9, 2026 | Securities Code: 8897

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Outlook for FY2026 Results and the Medium-term Management Plan

- Structural reform of the Energy Business executed; review undertaken to minimize future risks; profit attributable to owners of parent expected at ¥4.5 billion
- Real Estate Business performance in line with initial plan; operating income expected to reach record-high level
- Dividend level maintained based on newly introduced dividend on equity (DOE); business plan from FY2027 onward unchanged

Key KPIs

| | Target | |
|-------------------|----------------------|--------------------|
| Equity ratio (%) | 23% or more | (FY2028-end) |
| LTV (%)* | Less than 65% | (Each fiscal year) |
| D/E Ratio (times) | 3.0 times | (Each fiscal year) |
| ROE (%) | 9% or more | (Each fiscal year) |

* LTV: Loan to Value (debt-to-total assets ratio)

Overall Summary

| (Millions of yen) | FY2026 (Initial forecast) | FY2026 (Revised forecast) | FY2027 Forecast | FY2028 Forecast |
|---|------------------------------|------------------------------|--------------------|--------------------|
| Net sales | 216,400 | 208,000 | 228,700 | 245,200 |
| Gross profit | 4,400 | 45,000 | 45,000 | 47,650 |
| Operating income | 15,500 | 16,500 | 15,000 | 16,650 |
| Ordinary income | 12,000 | 12,500 | 12,100 | 13,650 |
| Profit attributable to owners of parent | 8,000 | 4,500 | 8,000 | 9,000 |
| EBITDA* | 20,900 | 21,900 | 20,600 | 22,450 |

* EBITDA = Operating income + Depreciation

Background to the Update and Current Assessment

- Maintain the basic policy of the Medium-term Management Plan announced in May 2025, while accelerating the transformation of the earnings structure
- Strengthen capital allocation to growth businesses and overhaul business strategy and management structure to ensure a smooth transition to Phase 3: Next Medium-term Management Plan

Phase

2

Growth Investment Execution Phase with Emphasis on Balance between Offense and Defense (FY2026–FY2028)

Key initiatives

- Execute investments in growth businesses
- Develop a lean balance sheet
- Maintain appropriate leverage levels
- Manage SG&A expense ratio

Current Assessment

Real Estate Business

- New built-for-sale condominium business facing changes from the conventional operating environment, including rising construction costs and longer construction periods
- Diversifying housing needs; expansion of the Real Estate Business domain as a key driver of earnings growth

Energy Business

- Transition to a structure capable of responding to rapidly changing market conditions
- Profitability of the Energy Business declining due to inflationary pressures and rising interest rates
- Increased business uncertainty, including changes in regulatory frameworks

Non-financial strategy

- Need to update non-financial strategy (ESG management) in line with business transformation

Basic Policies for the Update

Actively invest in new detached house business, renewal and resale business

- Concentrate management resources on new growth drivers in the Real Estate Business and implement organizational restructuring to diversify and strengthen the earnings base

Optimize the business portfolio in response to changes in the operating environment

- Optimize the business composition and strategy of the energy segment

Rebuild capital allocation

- Strengthen capital allocation to growth areas and adopt a new shareholder return policy

Phase
3

FY2029–FY2031

Stable Payback Phase

—Period of profit structure transformation—

2030

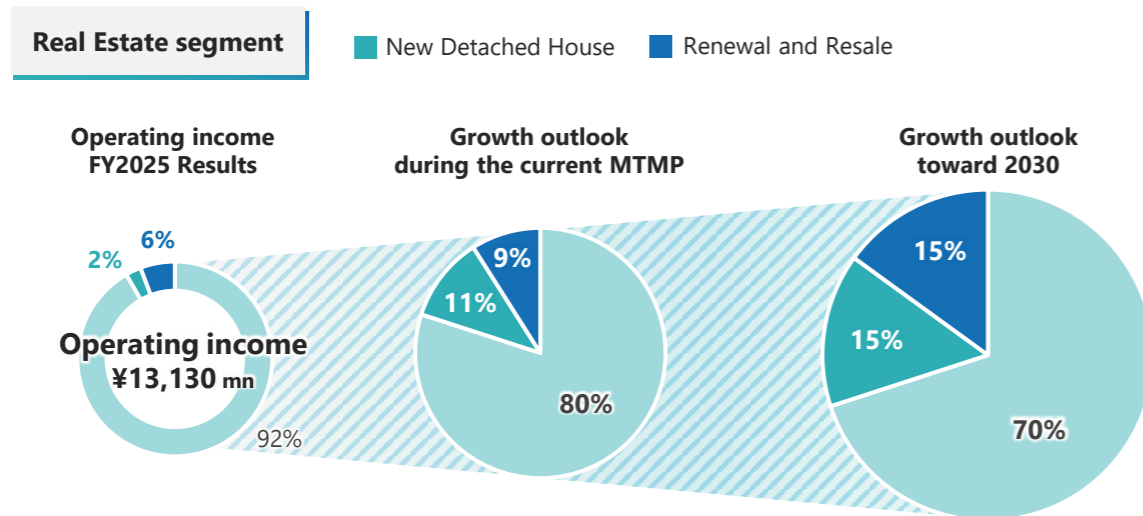
Towards a future environment design company
“Be the Takara of the community”

Redefinition of Growth Strategy

Realign segment-specific growth strategies to ensure a more certain transition to Phase 3

Further growth of the Real Estate Business

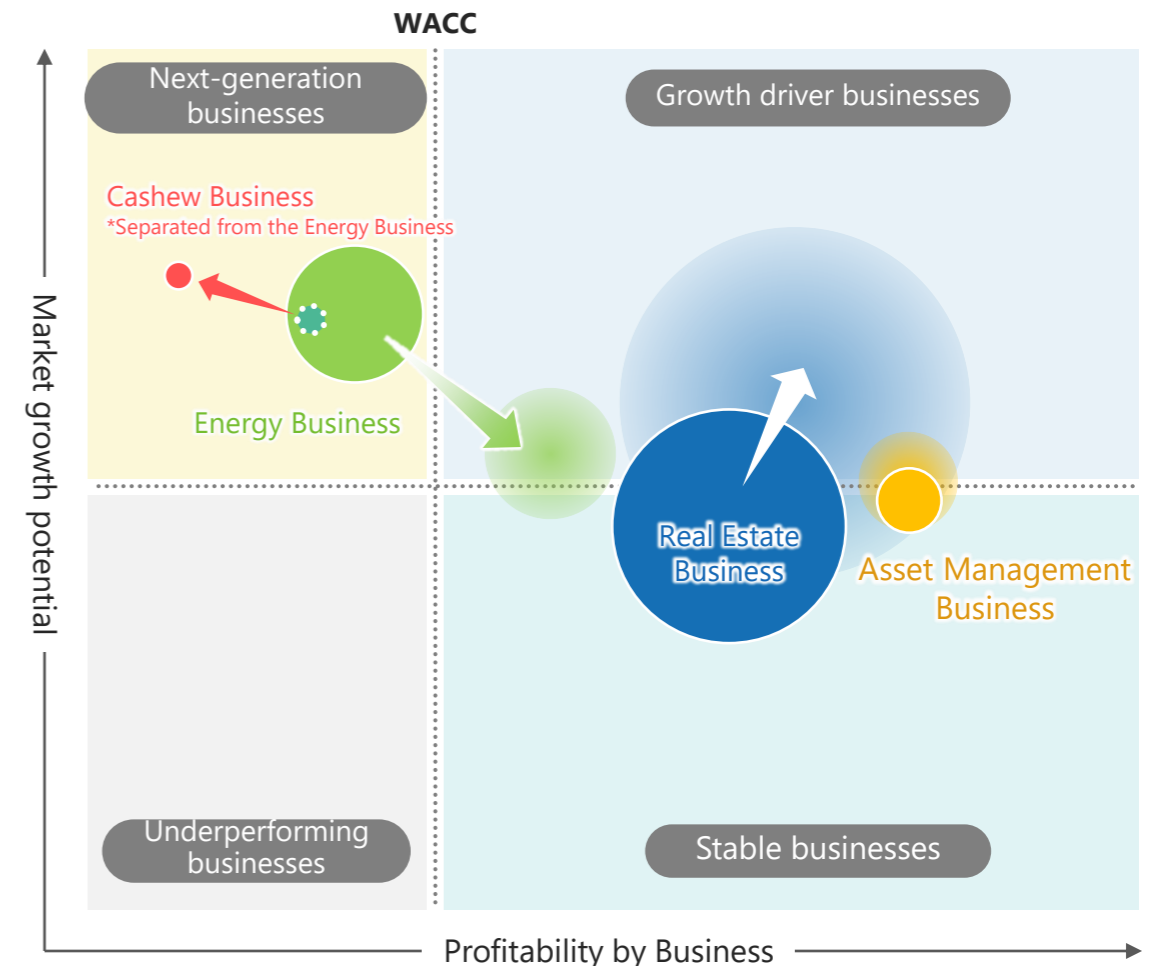
- Expand growth capacity of the core Real Estate Business
 - Increase investment in high-growth segments (urban detached houses, renewal and resale)
- Drive growth in fee-based businesses by strengthening non-recurring business
- Maximize the strengths of a comprehensive developer



Separation of the Cashew Business from the Energy Business segment

- Business environment uncertainty increasing, while power demand expected to continue growing
- Selectively invest in new earnings opportunities while controlling balance sheet expansion
- Position the Cashew Business as a next-generation business and establish its business model

Positioning of each segment in the business portfolio



Redefinition of Growth Strategy: New Detached House and Construction Businesses (Leben Home Build)

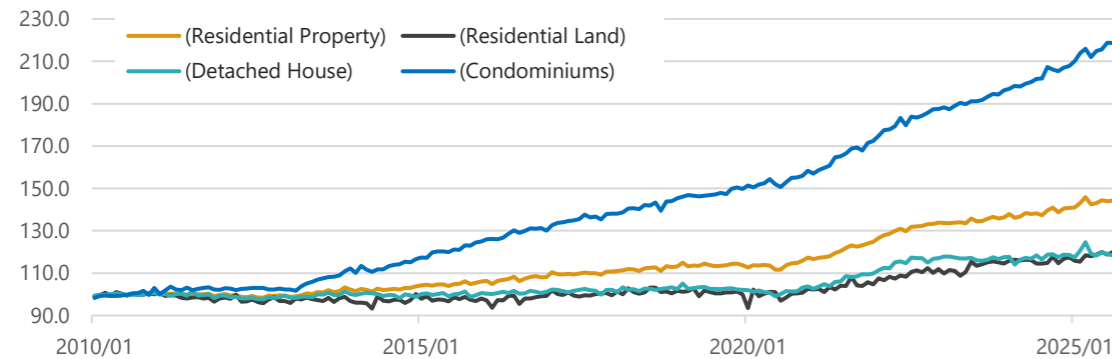
Leverage new area strategies and the strengths of a hybrid business model to expand marginal earnings in the real estate business

Business environment: New detached house business

Increasing demand for urban living and soaring prices of condominium units

- Soaring condominium prices enhancing the relative affordability of urban detached houses, positively influencing customer sentiment
- New detached housing prices in the Tokyo metropolitan area increased by 14.2% over five years (condominium prices increased by 55.2%)

Trend of Residential Price Index (Japan)



*Source: Ministry of Land, Infrastructure, Transport and Tourism, "Japan Residential Property Price Index"
*Prepared by the Company based on published data, indexed with the 2010 average as 100

Business environment: Construction business

Declining industry-wide order capacity increasing the bargaining power of general contractors

- Structural challenges, including rising material costs, longer construction periods, and a shrinking workforce
- Strong demand for general contractors, with a favorable order environment for small-scale construction project

Key themes

New Detached House Business: Capture further opportunities in urban markets that drive overall demand
Construction Business: Maximize earnings through enhanced industry presence

Growth Strategy

New Detached House Business

- Expand sales channels
- Improve asset turnover
- Strengthen product appeal and brand strength

Construction Business

- Review order acceptance criteria
- Optimize management systems
 - ▶ Improve the quality of cost, schedule, and safety management

Liquidation business through in-house construction

Hybrid strategy combining sourcing networks and in-house construction

- Maximize profits through an integrated end-to-end system
- Establish an earnings structure resilient to external environmental changes

Human Capital

Strengthen development of engineers, centered on construction management engineers

Growth target for FY2030

Operating income share (Real Estate Business segment): 15%

Redefinition of Growth Strategy: Renewal and Resale Business (Leben Zestock)

Strengthen a dual earnings model of recurring and non-recurring businesses, and create added value for the expanding housing stock to fulfill social responsibilities

Business environment

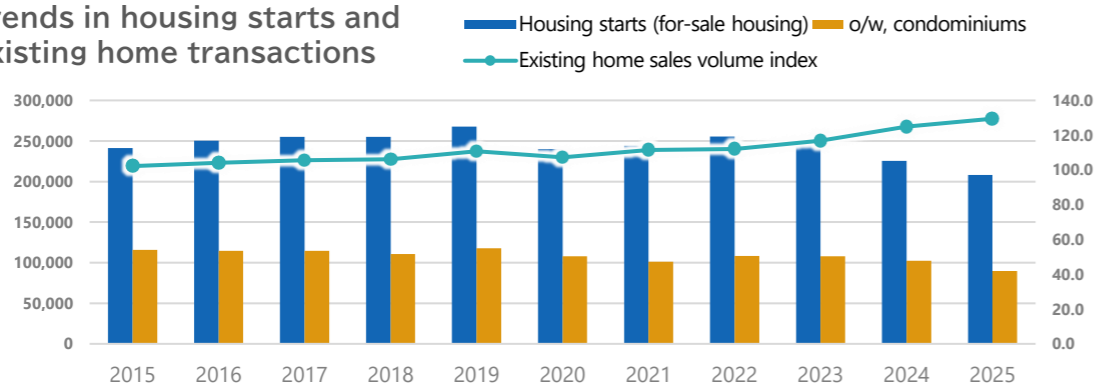
Declining trend in the supply of newly built condominium units

- 59,940 new condominium units launched nationwide in 2025
- Prices continuing to rise in line with declining supply

Shifting homebuyer sentiment

- Rising living costs expanding demand for pre-owned homes
- Transaction prices for pre-owned homes increasing, with the market expected to continue expanding.

Trends in housing starts and existing home transactions



*Source: Ministry of Land, Infrastructure, Transport and Tourism, "Existing Home Sales Volume Index" (right axis) and "Building Starts Statistics Survey Report" (left axis) prepared by the Company based on publicly available data

Growing social challenges related to the expanding housing stock

Vacant homes increasing year by year amid population decline, while existing home transaction volumes in Japan remain low compared with other developed countries.

Growth Process

- Expand financial flexibility through equity financing while executing agile acquisition of high-quality assets
- Diversify the asset portfolio and build up stock to establish a high inventory turnover model
- Maximize capital gains through diversified exit strategies and accelerate capital recycling through reinvestment

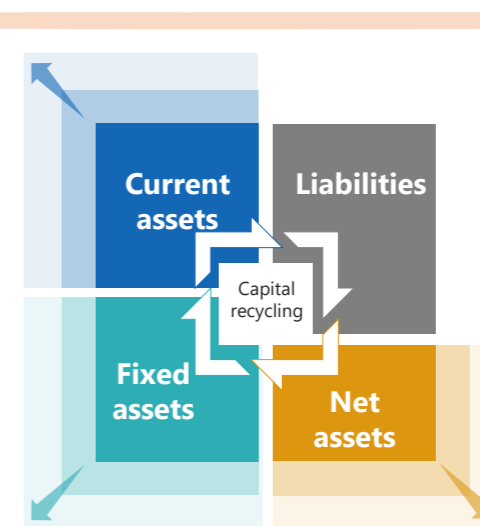
Growth through capital recycling

Step 3

Diversify exit strategies
Maximize capital gains

Step 2

Diversify asset portfolio
Expand stable income



Step 4

Repay debt
Reinvest

Accelerate
capital recycling

Step 1

Expand financial flexibility
Execute agile acquisition

Key
theme

Evolve the Renewal and Resale Business into a more robust business model

Growth target
for FY2030

Operating income share (Real Estate Business segment): 15%

Redefinition of Growth Strategy: Energy Business (MIRARTH Energy Solutions)

Rebuild the portfolio to respond to changes in the market environment and capture medium- to long-term corporate value creation driven by shifts in regulations and interest rates

Business environment

Rising regulatory risks

- Tighter regulations on utility-scale solar expected, leading to additional costs for existing assets and challenges in new development

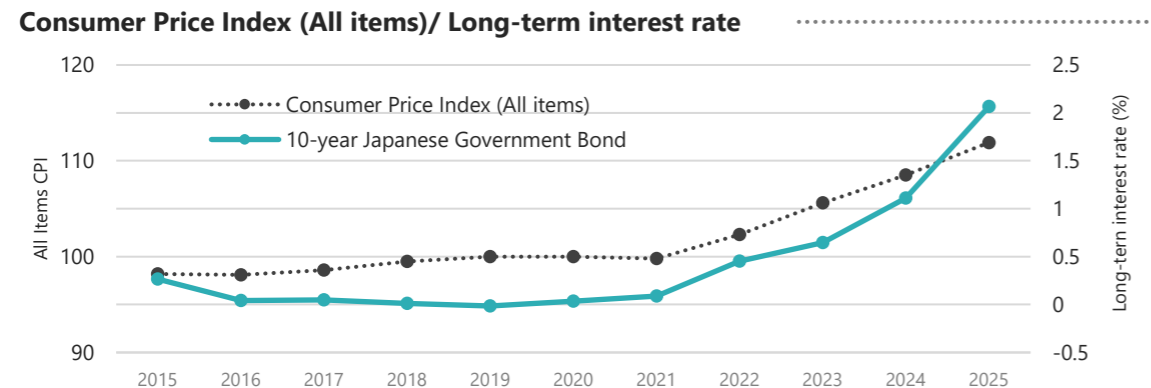
Rising interest rates and operation and maintenance (O&M) costs under inflation

- Power plants earning revenue from FIT schemes have fixed tariffs over long periods, making them vulnerable to rising O&M costs and interest rates under inflation; this trend is expected to continue

Revision of outlook for domestic biomass power generation business and recognition of impairment losses

- Construction period significantly extended from the initial business plan, shortening the FIT sales period
- Project costs exceeding budget due to rising material prices, with persistently high timber prices and increases in transportation and labor costs
- Significant revision of the business plan required, resulting in impairment losses recognized in the current fiscal year

([More info](#))



*Source: Ministry of Internal Affairs and Communications (MIC), "2020-Base Consumer Price Index (All items)" (left axis) and Ministry of Finance Japan, "JGB Interest Rate Information" (right axis) prepared by the Company based on publicly available data.



1 Replace assets through ROIC-based management

- Strengthen ROIC discipline and shift toward higher-return assets
- Focus investments on high-growth areas (e.g., utility-scale battery storage)



2 Expand development projects focused on development fee generation

- Sell development rights to SPCs at an early stage of projects
- Pursue off-balance financing while securing development fees and stable recurring management fees



3 Separate the Cashew Business from the current segment

- Position the Cashew and Fuel Businesses as next-generation businesses and separate them from the Energy Business
- Redefine optimal asset scale and debt ratio in the Energy Business Segment and build inflation resilience

Growth target for FY2030

Operating income

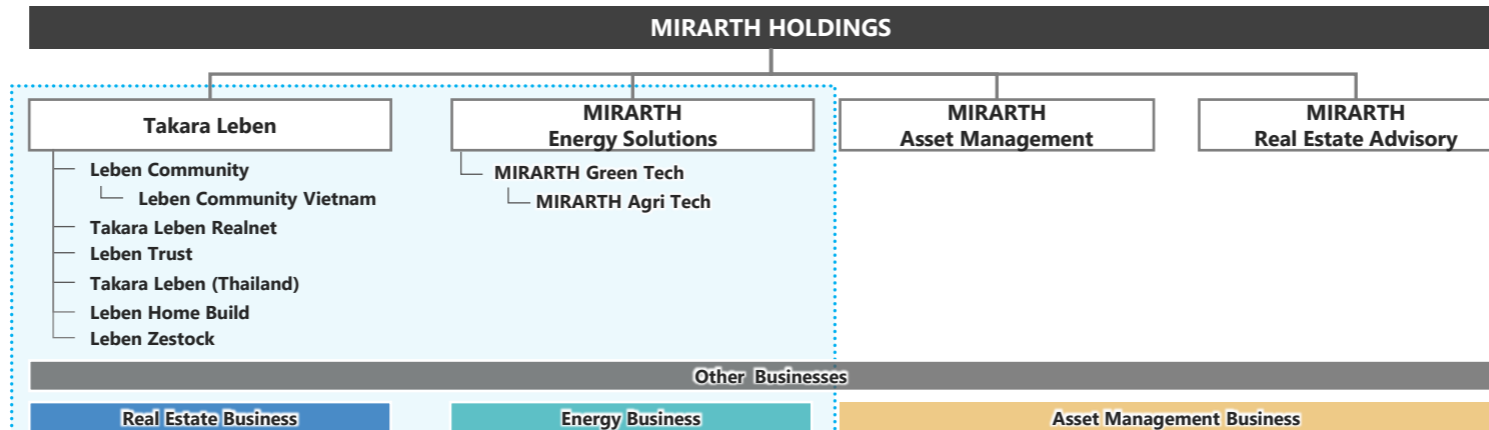
¥2,000 million

Update of the Management Structure to Execute the Growth Strategy

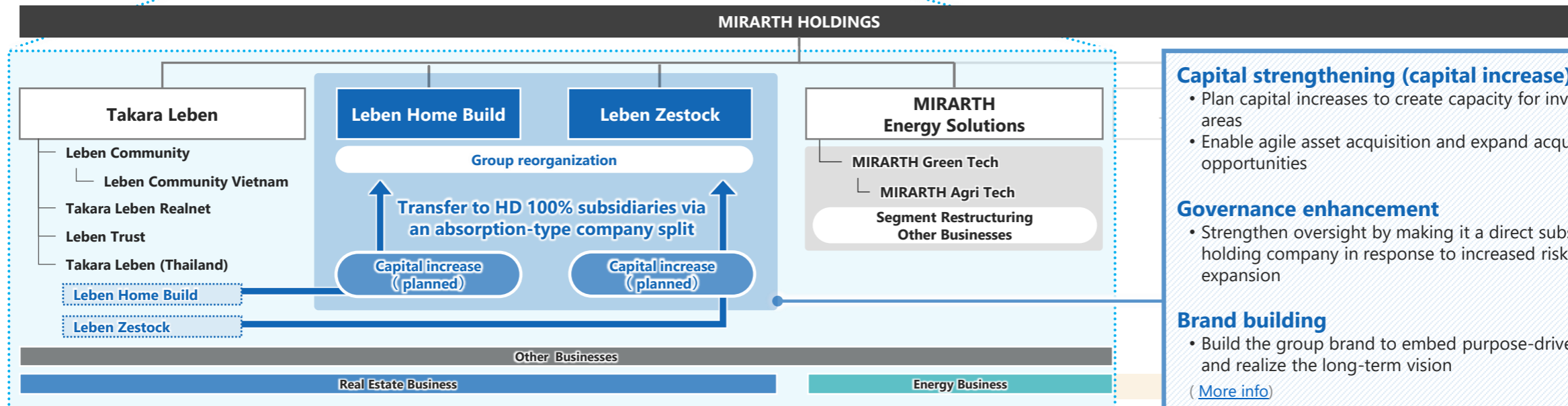
Strengthen capital of operating companies as growth drivers via capital increase and initiate group restructuring to further enhance governance for business expansion

Establish a management structure that supports growth investment with emphasis on balance between offense and defense

Current Holding Company Structure



New Structure



Capital strengthening (capital increase)

- Plan capital increases to create capacity for investment in growth areas
- Enable agile asset acquisition and expand acquisition opportunities

Governance enhancement

- Strengthen oversight by making it a direct subsidiary of the holding company in response to increased risks from business expansion

Brand building

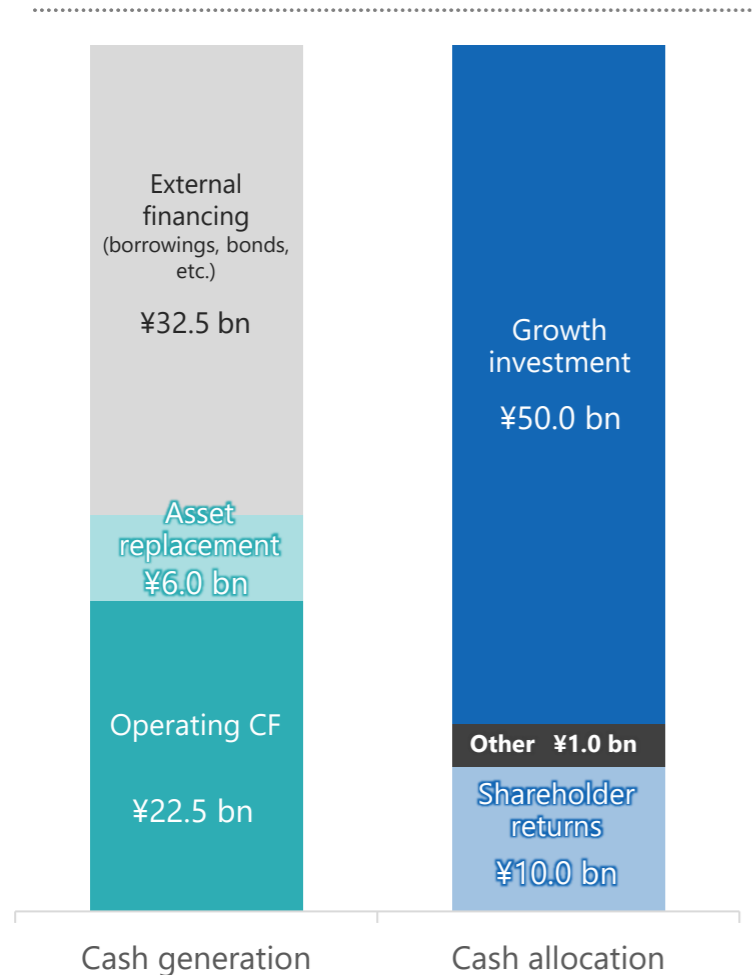
- Build the group brand to embed purpose-driven management and realize the long-term vision

([More info](#))

Update of Capital Allocation Policy

- Selectively invest in the Energy Business and reallocate capital to new growth drivers, including New Detached House / Renewal and Resale Businesses
- Shift management resources to higher capital efficiency areas and further accelerate shareholder returns

FY2026–FY2028



Cash generation

External financing etc.

- Assume external financing for 65% of growth investments
- * The amount shown is net of repayments

Cash allocation

Growth investment

- Investment in the Real Estate Business: ¥31.0 bn (including ¥5.0 bn for regional devitalization)
- Investment in the Hotel Business: ¥5.0 bn
- Investment in the Energy Business: ¥14.0 bn

Other

- Growth investment or shareholder returns: ¥1.0 bn

Shareholder returns

- Payout ratio of 35–40%

Update Policy

Shift management resources to growth areas and enhance shareholder return value

- Strengthen investment in New Detached House / Renewal and Resale (+¥6.0 bn)
- Selectively invest in the Energy Business (-¥6.0 bn)
- Establish a new investment pool for growth investments or shareholder returns (+¥1.0 bn)

Change in use of proceeds from the public offering

Reviewed the use of proceeds previously disclosed in below
 “Notice Regarding the Issuance of New Shares, Disposal of Treasury Shares, and Secondary Offering of Shares” dated May 20, 2024
 “Notice Regarding the Determination of Issue Price, Disposal Price, Offering Price, etc.” dated May 29, 2024
 “Notice Regarding the Determination of Number of New Shares to be Issued by Capital Increase through Third-Party Allotment” dated June 28, 2024, as follows

Use of proceeds before change

Investment and loans to MIRARTH Energy Solutions Inc. and Takara Leben Co., Ltd.

Use of proceeds after change

In addition to the use of proceeds before change, investment and loans to Leben Home Build Co., Ltd. and Leben Zestock Co., Ltd.

[\(More info\)](#)

Fundamental Enhancement of Shareholder Returns

In FY2027, plan total shareholder returns of approximately ¥4.0 billion, combining dividends with agile share returns through share buybacks

Improve predictability of shareholder returns by smoothing the annual dividend ratio and introducing dividend on equity (DOE) as a new dividend guideline
Further strengthen shareholder returns through a sustainable return model based on DOE (stability) and dividend payout ratio (progressiveness)

Share Buybacks

Resolved to conduct the first share buyback in approximately 10 years, taking into comprehensive consideration the changes in capital allocation and the current level of our share price.

[\(More info\)](#)

1. Optimize investment plans

Reallocate surplus funds generated by revisions of capital allocation to enhanced shareholder returns

2. Improve capital efficiency and shareholder returns

Recognize the current situation in which the share price remains below the public offering price and conclude that improving per-share value (EPS and BPS) is necessary

Implement agile share buybacks to strengthen total shareholder returns (FY2027)

Review the annual dividend ratio

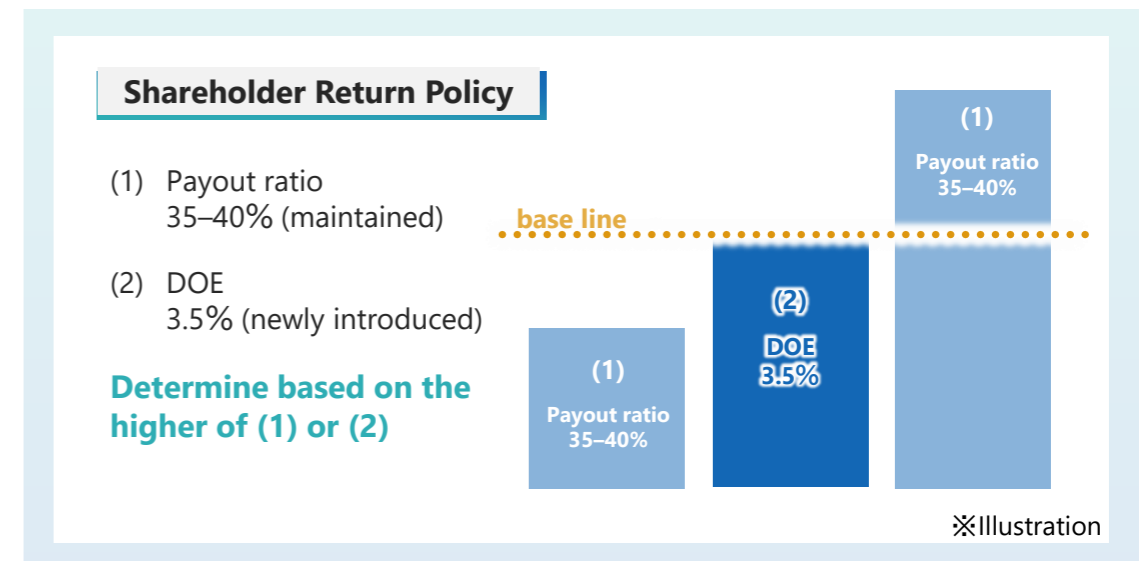
- Equalize interim and year-end dividends
- Further improve predictability of shareholder returns by combining with DOE

Improve return efficiency through optimized interim and year-end dividends

Introduce DOE as a dividend guideline.

- Introduce DOE as a new indicator to achieve stable shareholder returns
- Aim for stable and progressive dividends by combining DOE with the dividend payout ratio, while balancing appropriate risk-taking

[\(More info\)](#)



Plan total shareholder returns of approximately ¥4.0 bn

ESG and Non-financial Strategies

Based on the above update to the management plan, strengthen the promotion of the following strategies as key initiatives

- E Environment**
 - Address climate change and decarbonization
 - Promote the stable supply and use of renewable energy
- S Social**
 - Realize sustainable growth of local communities
 - Address declining birthrate, aging population, and shrinking workforce
 - Ensuring health and safety of employees
 - Promote diversity equity & inclusion (DE&I)
 - Ensure respect for human rights and supply chain management
- G Governance**
 - Strengthen corporate governance
 - **Strengthen risk management**
 - Ensure corporate ethics and compliance



Strengthen risk management

Update the Group-wide risk management function.

Strengthen its promotion system to further minimize risks and maximize returns.

(1) Strengthen response of the Risk Management Committee

- ▶ Establish advisory criteria for individual projects and control risks in business execution

(2) Integrate risk management with management strategy

- ▶ Introduce the Risk Appetite Framework (RAF) to optimize the business portfolio

(3) Reform organizational and personnel structures

- ▶ Establish an Internal Control Management Department and strengthen second-line functions
- ▶ Appoint a CRO from among board members (directors) and build a structure enabling the CRO to exercise this function at the core of management

- HR Human resources**
 - Create a fulfilling workplace environment
 - Create a diverse organization and work environment
 - **Promote Group talent management**
 - Strengthen regional recruitment
 - Further promote flexible work environments
 - Human resource development
 - Promote succession plans
 - **Promote strategic job rotations**
 - **Further enhance tiered training programs**



Further strengthen human capital and optimize talent allocation

Actively allocate human capital to growth-driving businesses while promoting data-driven visibility of group talent and proactive talent deployment

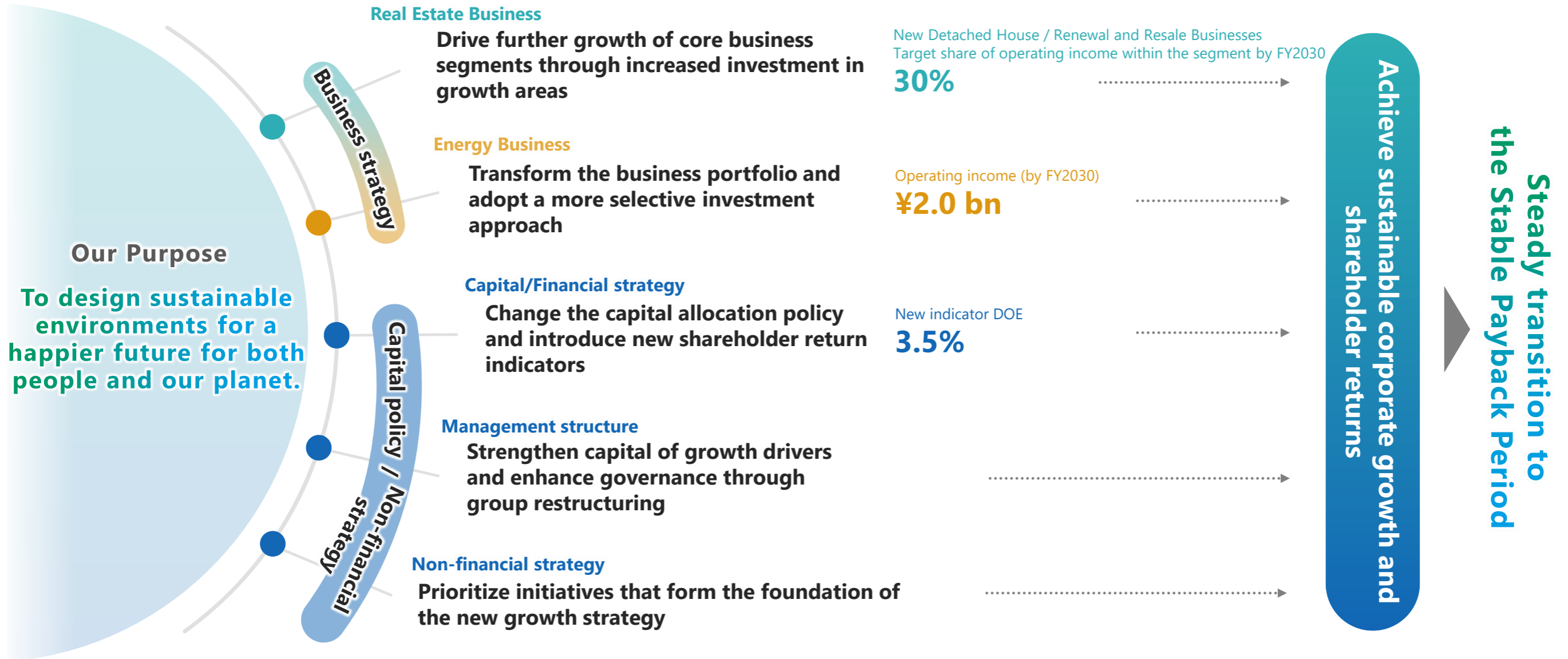
(1) Maximize use of the talent management system to understand group talent capabilities and suitability

(2) Accelerate talent development by introducing assessments linked with training programs

(3) Proactively appoint specialized professionals

Summary

Promote various update initiatives and aim for a steady transition to Phase 3 (stable payback period) amid increasing market uncertainty



Handling of this document

These materials were prepared based on data current as of March 9, 2026.

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