



The Power to Build Tomorrow.

Integrated report 2022



MIRAIT ONE Corporation



As humans, we have nearly achieved the future of dreams in books, movies and manga.

Not because we dreamed it, but because we kept looking and discovered ways to give it shape.

Our engineering technology, cultivated through infrastructure, has the power to implement a bright future. It's time to use this power to benefit society and build an ideal tomorrow.

We will contribute to the transformation of society more dynamically than ever, implementing our technologies in multiple fields from communications and disaster prevention to education and urban development.

The Power to Build Tomorrow.



We envision a thriving future because we are able to bring implementation into every aspect of life and business.

Concept of the corporate brand name

'ONE' in our new corporate name MIRAIT ONE is the simple representation of our goal and determination.

ONE for All, All for ONE

Employees join forces as ONE team. The newly integrated company aims to be the symbol of the group cohesion and solidarity.



Only ONE

We aim to be the ONE and only company that provides the best quality and best technology/service levels in the MIRAI (future) domains and existing domains, while respecting the important individuality of employees.

Number ONE

We aim to be a global leading company by continuously taking on challenges.



Purpose/Mission/Vision

On July 1, 2022, MIRAIT Holdings Corporation, MIRAIT Corporation, and MIRAIT Technologies Corporation integrated management to establish MIRAIT ONE Corporation. For the new start of the MIRAIT ONE Group, we redefined our Purpose (meaning of existence) and Mission(public mission) — reflecting the aspirations of 14,000 executives and employees. We formulated “MIRAIT ONE Group Vision 2030” as a new business vision for 2030, with the aim of evolving into a corporate group that continues to contribute even more to solving a variety of social issues in a wide range of social infrastructure fields.

Purpose

Co-creating an *exciting future* through challenges and technology.

Mission

Meeting customer expectations and contributing to realize a prosperous society.

Constantly refining our technology and business model to add more value.

Building and maintaining *future social infrastructure* with our partners.

Creating an *attractive corporate culture* with a diverse and dynamic workforce.

Continuing to be a trusted company through improved sustainability and strict compliance.

MIRAIT ONE Group Vision 2030

New Growth Strategy: 5 Business Transformations (5 Changes)

Change 1: People-centric management

Change 2: Acceleration of business growth

Change 3: Top-class profitability

Change 4: Management based on data insights

Change 5: Strong foundation for ESG management

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Editorial Policy

This paper reports short-term, mid-term, and long-term efforts and results of creating values made by the MIRAIT ONE Group that is committed to business transformation and social contribution under the new business organization. The report focuses on MIRAIT ONE Group Vision 2030 starting from FY 2022, the Fifth Mid-term Business Plan, and effort for sustainability and materiality, with precise and comprehensive sections on “Overall Picture of MIRAIT ONE”, “Story of Creating Values”, “Sustainability Management”, “Corporate Governance”, and “Data.”

Organization in the Scope of this Report

This report covers the MIRAIT ONE Group as a whole. Please note that numerical data and some of the information published in this report are of the boundary for which such data or information is available at the time of publishing this report, as indicated in the text or in supplementary notices.

Reporting Period

FY 2021 (April 1, 2021 to March 31, 2022)

Note: This report contains some data outside the above period so far as it complies with the editorial policy.

Guidelines Referenced

International Integrated Reporting Framework issued by IFRS (International Financial Reporting Standards Foundation)
Sustainability Reporting Standard issued by GRI (Global Reporting Initiative)
Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation issued by METI (Ministry of Economy, Trade and Industry)



Date of Publication

December 2022

Precaution on Future Prospect etc.

Descriptions in this report about the business performance and financial status of the MIRAIT ONE Group, the prospect and objectives of overall business activities, future plans and other details are based on the plan and prospect made from the information available for us at the time of editing. The actual performance may become largely different from the content of this report due to changes of conditions. So, please understand that the accuracy of the prospects and other information in this report are not guaranteed for the future.

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Related Information on our website

- Corporate Information
<https://www.mirait-one.com/corporate/>
- Services and Solutions
<https://www.mirait-one.com/solution/>
- IR Information
<https://ir.mirait-one.com>
- ESG Information
<https://www.mirait.co.jp/csr/>

note: previous reports are also available



History of Business and Strategies

The origin of MIRAIT ONE Corporation traces back to Daimei Denwa Kogyo Corporation established in 1946. The group cultivated its strength and people through the effort of creating social infrastructure related to telecommunication and electricity for over 70 years.

In recent years, the group accumulated new technological competences related to AI and DX to become professional engineering company that captures needs in changing society, while continuing to be a responsible

creator and protector of social infrastructure overcoming enormous social crises including the Great East Japan Earthquake and the COVID-19 pandemic. Moving forward, we will challenge the creation of new values aiming to be "Beyond a Telecommunications Construction Company" that contributes to the solution of social problems than ever through changes and growth of each and every individual in the group.

Startup period



Daimei Denwa Kogyo Corporation
1st President and CEO:
HISATSU Goro



TODENTSU Corporation
1st President and CEO:
KISHIDA Kanichi



Kinki Telecommunications Construction Corporation
1st President and CEO:
NUMATA Shichijiro

The headstreams of the group, which grew through many mergers and restructuring, were three companies, which were Daimei Denwa Kogyo Corporation established in 1946 (later becoming Daimei Corporation and MIRAIT Corporation), Toyo Denki Tsushin Kogyo Corporation (later becoming TODENTSU Corporation and MIRAIT Corporation) established in the same year, and Kinki Telecommunications Construction Corporation established in 1960 (later becoming Commutere Corporation and MIRAIT Technologies Corporation). The three companies grew and expanded its business base through the trade with Nippon Telegraph and Telephone Public Corporation (later becoming Nippon Telegraph and Telephone Corporation (NTT)) established in 1952 during the years of postwar rebuilding and high economic growth, in which demands on telephone grew.

Growing period



Hands-on practice for nurturing engineers and training for new employees (1960s)

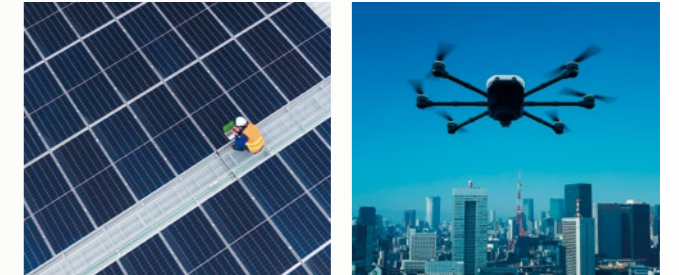
In the period of high economic growth from 1955, the telecommunication market expanded significantly with the rapid growth of ordinary phone subscribers backed by the enforcement of the 3rd and 4th 5-year NTT plans of "bringing phones quickly" and "connecting phones quickly." In such circumstances, three companies established firm positions in the telecommunications construction market by responding to new technologies, nurturing of engineers, expansion of the business hub network, and listing in the stock market. The three companies overcame the oil crisis and continued stable growth after mid 1970s focusing on new data communication enabled by the integration of telecommunication and computers, facsimiles, pagers, mobile phones, and smartphones.

Expansion of growth domains



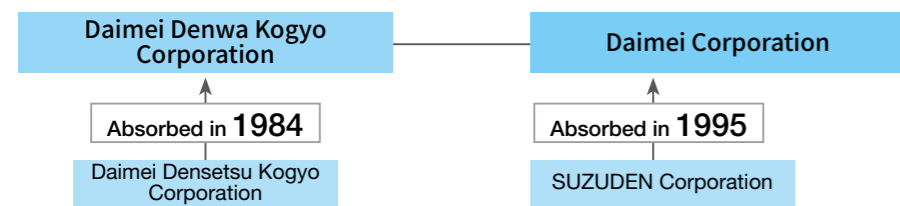
MIRAIT Holdings Corporation, which was established in 2010 by the merger of three companies, Daimei Corporation, TODENTSU Corporation, and Commutere Corporation, established MIRAIT Corporation and MIRAIT Technologies Corporation by business restructuring in 2012, expanded global business by M&A of Lantrovision (S) Ltd. of Singapore in 2016, and from 2018 to 2019 integrated business with three regional telecommunications construction companies, TTK Co., Ltd., SOLCOM Co., Ltd., and Shikokutsuken Co., Ltd. to grow to become a total engineering service company.

To become a future implementation company



The Group, which accumulated on-site and technological capabilities as its strengths, established a foothold in civil engineering and construction domains by acquiring Seibu Construction Co., Ltd. as a new group company in March 2022, to establish a unique business base with solid strength in telecommunication, electric construction, ICT, civil engineering, and construction. With this business base, the Group will continue to contribute to society as a future implementation company by focusing on the "Full-Value Model" of business that undertakes the total process of compound construction encompassing planning, design, construction, and operation, and the new growing "MIRAI (future) domains."

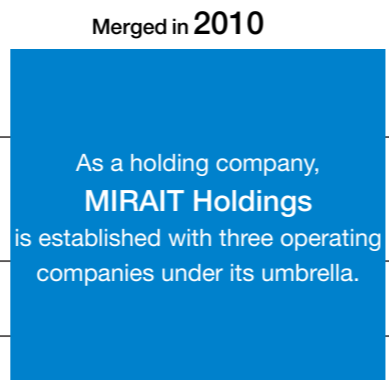
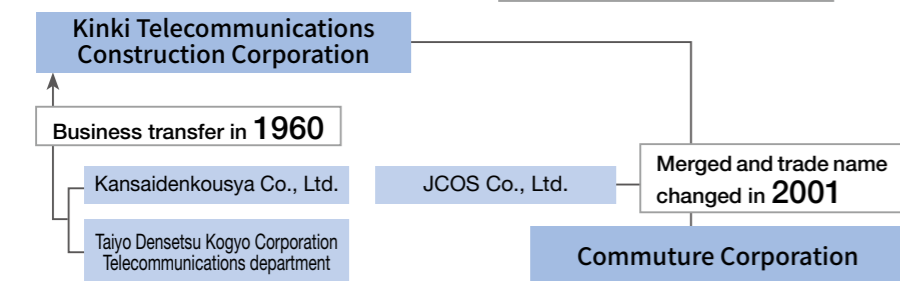
Established in 1946



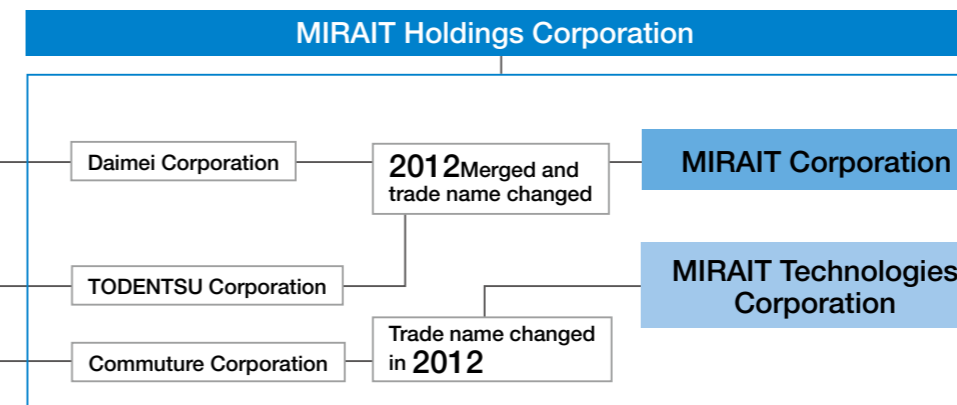
Established in 1946



Established in 1960



Established in 2010



Joining the group

June 2016	January 2019	March 2022
Lantrovision (S) Ltd	SOLCOM Co., Ltd.	SEIBU CONSTRUCTION Co., Ltd.
October 2018	January 2019	July 2022
TTK Co., Ltd.	Shikokutsuken Co., Ltd.	MIRAIT ONE SYSTEMS Corporation

July 2022





Business of MIRAIT ONE

Marking record-high sales and operating income in FY 2021, the MIRAIT ONE Group redefined operation domains to accelerate the move toward the new growth stage with a view to FY 2026 and FY 2030.

Moving forward, the Group will strive for business restructuring through the operation of the four businesses listed below, categorizing overall group operations into “the telecommunications infrastructure domain” that focuses on domestic telecommunications construction business and “the corporate/environmental and social infrastructure domain” that focuses on solution business.

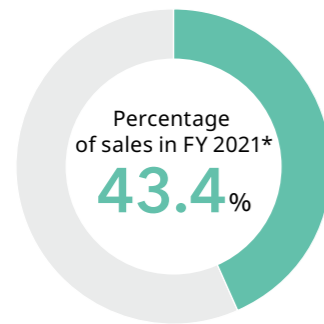
Aim to have the MIRAI (future) domains sales occupy **40%** of the FY 2026 target sales of 720 billion yen.

From the corporate/environmental and social infrastructure domain, growing fields were redefined as the **MIRAI (future) domains** which includes urban and regional development, corporate DX and GX, green power generation, software, and global businesses.

Overall Picture of MIRAIT ONE

Telecommunications infrastructure domain

■ NTT business



Major services

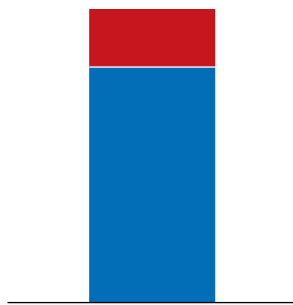
- We conduct the construction and maintenance of wired and wireless telecommunications equipment for the NTT Group nationwide.

Major customers

- Nippon Telegraph and Telephone East Corporation
- Nippon Telegraph and Telephone West Corporation
- NTT DOCOMO, INC.
- Others

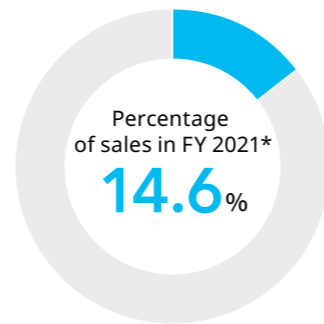
Sales breakdown of FY 2021*

204.3 billion yen



■ Mobile ■ Fixed

■ Multi-carrier business



Major services

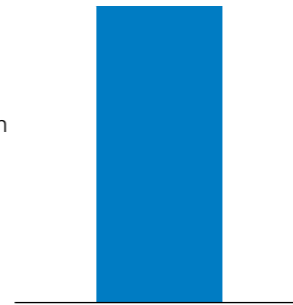
- We conduct the construction and maintenance of fixed and mobile telecommunications equipment for NCCs nationwide.
- We also conduct business related CATV construction, broadcast radio wave (television reception measures), and so forth.

Major customers

- KDDI Corporation
- Softbank Corporation
- Rakuten Mobile, Inc.
- Others

Sales in FY 2021*

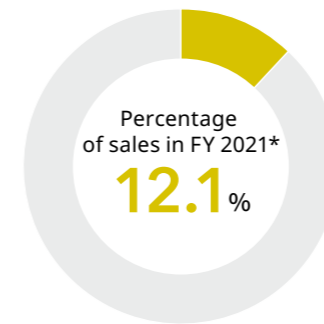
68.6 billion yen



* The FY 2021 sales breakdowns are shown in terms of the new business domains.

Corporate/Environmental and Social Infrastructure domain

■ Environmental and Social Innovation Business



Major services

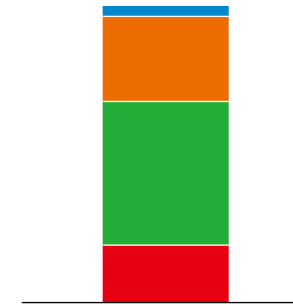
- We provide comprehensive solutions related to environment/new energy, social infrastructure (civil engineering/water) construction, construction and maintenance of electrical/air-conditioning facilities, construction/renovation, and so forth.

Major customers

- Local governments
- Private enterprises
- Others

Sales breakdown of FY 2021*

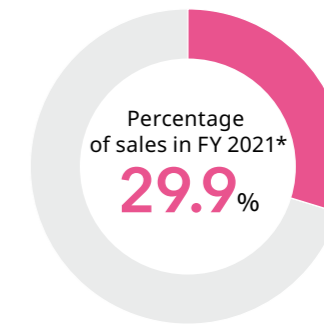
56.8 billion yen



■ Construction/Renovation
 ■ Civil engineering / Water
 ■ Electricity / Air conditioning
 ■ Renewable energy, etc.



■ ICT Solutions Business



Major services

- We provide total support for the construction of ICT infrastructure related to cloud, office solutions, Wi-Fi, and so forth.

Major customers

- Private enterprises
- Local governments
- Others

Sales breakdown of FY 2021*

140.6 billion yen



■ Sales of goods, etc. ■ Software
 ■ Global ■ LAN, etc. ■ DC/Cloud
 ■ Stock





Value Creation Model

Value Creation Process of MIRAIT ONE

In order to accelerate the growth of businesses in the *MIRAI (future) domains*, which is considered the domain of growth, the MIRAIT ONE Group will *contribute to a resilient and sustainable future for regions/companies* through the enforcement of the *Full-Value Model*, while evolving *engineering capital, human capital, intelligence capital, social and relationship capital, financial capital, and natural capital* that the Group has cultivated over the 75 years of business since its foundation.

Business models in coming years

Aiming to go “Beyond a Telecommunications Construction Company” over the past 10 years, the Group has been expanding its area of construction business into software, civil engineering, and renewable energy to become a *total engineering service company*, and has won deep trust from customers based on *carrier-grade technical competence in construction, operation, and maintenance*.

While effort for ESG, SDGs, and sustainability is expanding around the world, customer needs are shifting to complex/comprehensive themes such as *urban and regional development and DX/GX*. To respond to this trend, we aim to enforce a business model in coming years, which is the *Full-Value Model* that drives in parallel *horizontal integration* that combines various technical fields such as telecommunication, electricity, civil engineering, and construction, and *vertical integration* that provides seamless services from planning and proposition to operation and maintenance.

Responding to the more complex and comprehensive needs



Urban and regional development

Purpose (Meaning of existence)
Co-creating an exciting future through challenges and technology.

OUTCOME

To contribute to a resilient and sustainable future for the regions/companies

Vertical integration
From planning and proposal to operation and maintenance

Planning

Proposal

Design

Construction

From comprehensive engineering and services company to the Full-Value Model!

Horizontal integration
Multi-engineering



INPUT

Maintenance

DX·GX

Management resources

Engineering Capital

Maintain good conditions of hardware/software directly used in engineering, and renew them in a planned manner.

- Business locations
Network with nationwide coverage plus 13 foreign countries
Group companies: Domestic: 58, Overseas: 27
- Construction equipment (aerial work platform vehicles, etc.)
- Various tools used for solutions

(As of July 1, 2022)

Human Capital

Focus on maintaining and cultivating human resources recognizing that problem-solving skills are vital to engineering.

- Employees of MIRAIT ONE Group: 14,006
- People holding certificates (total): 18,117
- Opening of MIRAI College (July 2022)

(As of March 31, 2022)

Intellectual Capital

Increase engineering values added by raising total competence in knowledge, know-how, experience, engineering, etc.

- Network/cloud service infrastructure
- Engineering knowledge and know-how in specialized fields such as telecommunications construction
- Technical knowledge to be used in solutions
- Processes and techniques of value engineering

Social and Relationship Capital

Strengthen collaboration and create synergy with external partners to reinforce the existing businesses and develop new fields.

- Long lasting relationships with telecommunications carriers
- Relationships with customers, other than telecommunication carriers, in various fields
- Collaboration with municipalities and government agencies
- Member companies of MIRAIT ONE Partners organized for the strengthening of collaboration among partner companies: about 400

(As of July 1, 2022)

Financial Capital

Realize capital-sensitive procurement, resource balancing, and profit returning by the capital optimization strategy.

- Gross assets: 432.6 billion yen
- Net assets: 249.2 billion yen
- Interest-bearing liabilities: 59.9 billion yen

(As of March 31, 2022)

Natural Capital

Use natural capital effectively through business operation sensitive to environmental load.

- Energy usage of FY2021: 47,254 MWh including renewable energy used: 285 MWh



NAKAYAMA Toshiki
Representative Director,
President and CEO

We will work toward the next stage of growth by accelerating business structure reform and *people-centric management*.

Bring changes while preserving the immutable. Since I assumed the position of president in 2018, I led the value creation of the MIRAIT ONE Group with the mindset represented by this phrase. The Group is in the middle of business structure reform in the mild decline of telecommunications construction market. We will continue to grow and boost the company value as a *future implementation company* by continuing the construction and maintenance of social infrastructure that we have been doing for over 70 years, i.e. *the immutable*, while at the same time by grabbing chances from *changes* such as changes of social issues and customer needs as well as technological advancement.

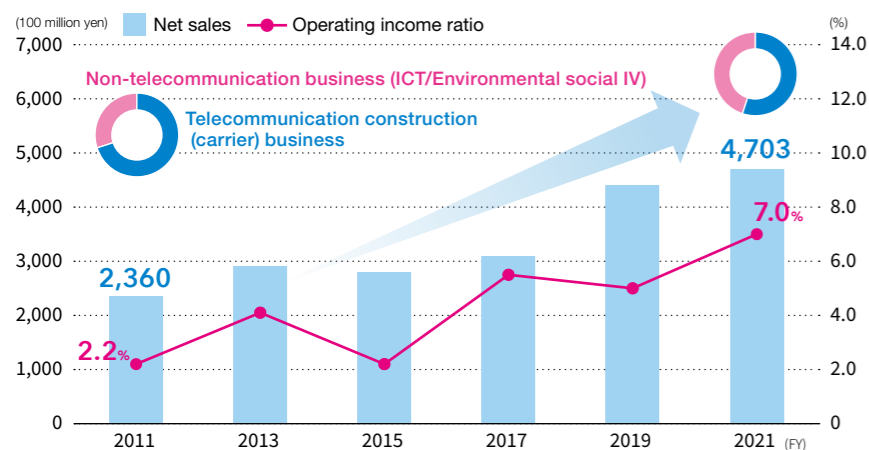
In this message, I want to convey my thoughts on the *past, present, and future* and mid- and long-term growth strategy of the Group to stimulate dialog with stakeholders including shareholders and investors.

Retrospection of past 10 years

Ten years of effort toward the realization of the total engineering service company

Since the establishment of MIRAIT Holdings Corporation through the merger of Daimei Corporation, TODENTSU Corporation, and Commuture Corporation in 2010, we have been taking steady steps in leveraging the mobile telecommunication

Growth in recent 10 years and evolution of business portfolio



Net sales x2.0
x7.1 (CAGR)

Operating income 2.2% → 7.0%

Non-telecommunication business ratio 27% → 43% (FY2021 target: 46%)

market growth and actively enhanced our ICT businesses and environmental and social innovation businesses aiming to become a total engineering service company. We enhanced regional business through the merger of TTK Co., Ltd., SOL-COM Co., Ltd., and Shikokutsuken Co., Ltd. expanded software business by making ACTIS Corporation, CREIST Inc., TIMETEC Co., Ltd., and Trust System Co., Ltd. consolidated subsidiaries, and established a foothold for global operation by making Lantrovision (S) Ltd. (Singapore) a consolidated subsidiary. With the acceleration of internal and overseas M&A such as these, the consolidated sales doubled in 10 years and marked a record high in FY 2021.

The operating income also marked a record high in FY 2021, and the operating income ratio improved 4.8 point in 10 years to mark 7.0% by the improvement of the gross profit ratio and operation streamlining of construction business, the improvement of profitability in the environmental and social innovation business, and internal promotion of DX and remote work in the midst of the COVID-19 pandemic.

As a result, we achieved earlier accomplishment of all target indexes, which are sales, operating income, operating income ratio, and ROE, for the fourth three-year mid-term management plan that we have been tackling since FY 2019. (See P.15.)

Progress of growth in Non-telecommunication fields is the issue

However, I think these successes are only transitional steps toward the accomplishment of mid- and long-term goals of the Group. The reasons that I think this way are that many indexes including the record high sales and operating income stay ranked in middle levels in the industry and the *Non-telecommunication business ratio* that we have been tackled as the core theme of business structure reform did not reach the target (46%) although it improved 16 points in 10 years. These indicate that our dependency on telecommunications construction stays high. In these circumstances, domestic telecommunications construction industry is declining. The recognition of this issue and a sense of urgency led to the long-term vision and the new mid-term management plan for realizing the vision.

Recognition of Business Environment

Unique business portfolio responding with the Full-Value Model to complexed society and customer needs

On the other hand, with the background of global risks such as climate change and pandemic and global efforts for ESG, SDGs, and sustainability, needs of our customers, which are regional governments and enterprises, are shifting to complex

and comprehensive themes such as *urban and regional development and DX/GX*, and I think this is the area that great business chances of the Group lies in.

In addition, the business volume of the major telecommunications carriers is not shrinking. They are shifting their business from conventional telecommunication to services and solutions, and also trying to shift areas of investment from hardware such as telecommunications equipment to software for telecommunication virtualization.

For such new business chances, I believe we can exert great strength from our competence in electricity, electric construction, lighting, and air-conditioning that we cultivated in the effort of past 10 years for being a total engineering and service company, multi-engineering ability in mobile/access and Wi-Fi/IoT/5G, high-quality *on-site capabilities*, and carrier-grade *technical competence*. Especially, the Group holds a prominent position in the industry in terms of management resources and expertise that we cultivated in the ICT field, and has established a solid business base in fields of *telecommunication, electric construction, ICT, civil engineering, and construction* by the merger of SEIBU CONSTRUCTION Co., Ltd. in March 2022 as a consolidated subsidiary. With these in mind, it is not exaggeration to say that we have a unique business portfolio that can provide one-stop response to aforementioned *complexed customer needs* and *virtualization of telecommunication*. Currently, the Group is in an ideal position to convert changes of market conditions and the competitive environment to growth opportunities.

With the new business portfolio and positioning, we conducted the merger of MIRAIT Holdings Corporation, MIRAIT Corporation, and MIRAIT Technologies Corporation, the redefinition of Purpose/Mission, and the definition of MIRAIT ONE Group Vision 2030 and fifth mid-term management plan, for continuous growth and value enhancement of the Group for the next 10 years.

Growth Strategy

Establishment of MIRAIT ONE Corporation for the basis of next growth

The purpose of the merger of three companies to a new group in July 2022 is in short "the establishment of foundation for growth in the next 10 years." In the former structure, we intended to grow through competition between MIRAIT Corporation and MIRAIT Technologies Corporation under the umbrella of MIRAIT Holdings Corporation. From now on, we will join forces as MIRAIT ONE Corporation to eliminate waste and streamline operations to build a muscular body that can fight in the next 10 years. Thus, we will aim for group total growth by capturing new customer needs such as aforementioned *urban*

President's Message

and regional development and DX/GX and by strengthening the consolidated management in regional businesses.

Redefinition of Purpose/Mission, and Brand Statement

In order to maximize the effect of the merger of three companies, *the immutable* such as the meaning of our existence and role in society must be shared again in the Group. So, we consolidated thoughts, ideas, desires, and honest opinions of individuals by conducting a questionnaire for 14,000 employees and directors and group discussions, and redefined the Purpose (meaning of existence) of the Group as shown below.

In the process of growth in new business fields such as *urban and regional development and DX/GX*, customer segments are expanded from conventional telecommunication carriers to local governments and private enterprises, and collaboration partners will also significantly increase. So, about Mission (role in society), we clarified toward individual stakeholders the statement of the Group stance.

I am determined to realize the continuous growth of the Group and the enhancement of company value by orchestrating individual thoughts and capabilities under the Purpose/Mission, which is considered the crystallization of thoughts of all employees and directors, and by one of our brand concept "ONE for All, All for ONE." MIRAIT ONE Group Vision 2030 is a set of concrete strategies defined from the long-term viewpoint of next 10 years for achieving this goal.

Accomplishing Five Changes

MIRAIT ONE Group Vision 2030 is a methodology for the Group to grow as a future implementation company through contribution to society, and its most important keyword is *Change*. The Group aims to change group companies, society, and future through the change of individual employees and directors. Specifically, we will accelerate steps forward to the next stage of growth by accomplishing five business transformations: 5 *Changes*.

Purpose/Mission, Stakeholders in View

Purpose

Co-creating an *exciting future* through challenges and technology.

Mission Stakeholders in view

Meeting customer expectations and contributing to realize a prosperous society. **Customers**

Constantly refining our technology and business model to add more value. **Shareholders and investors**

Building and maintaining *future social infrastructure* with our partners. **Partners**

Creating an *attractive corporate culture* with a diverse and dynamic workforce. **Employees**

Continuing to be a trusted company through improved sustainability and strict compliance. **Overall society**

Change 1: People-centric management

I liked visiting workplaces since before joining this company. When I surveyed a workplace soon after joining the company, I found one thing. The business model of the company is not like those of manufactures and telecommunication carriers in which earnings are generated by cutting-edge factories, devices, equipment, and so forth. The business model of this company is to earn profit by human resources thinking and working with accumulated technical competence. Therefore, in order for the Group to grow with a new business model through business structure reform in years come, it is essential that all employees and directors will change through newly gained skills on the basis that each of us is healthy and safe. This is the reason that I put *people-centric management* at top of 5 Changes.

One concrete action for this change is the opening of *Mirai College* in July 2022 as an initiative for providing each employee with *learning* and *connection* opportunities (see p.35) to drive business structure reform, and others include active usage of external human resources. For the assurance of health and safety, we set forth the declaration of healthy management and the human rights basic policy also in July 2022 (see P.37-40) to create a pleasant work environment for each of human resources where they can exert their best performance. In addition, as activities toward the upcoming *declaration of smart work/life style*, we are trying to find the best work/life style from the viewpoint of employees, or people working, through a questionnaire for all employees, discussion meetings, and a nationwide tour by the top management including me, like we did when defining Purpose.

Change 2: Acceleration of business growth

For Change 2, we redefine the growth areas of the Group based on multi-skilled human resources achieved by Change 1, and focus management resource in the *promotion of urban*

and regional development/corporate DX and GX, as well as the *MIRAI (future) domains* that emphasizes aforementioned items: the *enhancement of green power business, strengthening of software business, and strengthening of global business*. (See P.8.)

Also, we will accelerate growth in different business areas leveraging the *Full-Value Model* that we are promoting as the new business model. (See P.9-10.) In the fifth mid-term management plan, we set target sales of 30 billion yen for the *promotion of urban and regional development/corporate DX and GX*, 10 billion yen or more for the *enhancement of green power business*, and 50 billion yen or more for the *strengthening of software business* and for the *strengthening of global business* in the last year of the period, FY 2026. We also aim to generate 40% of the target consolidated sales, 720 billion yen, in the *MIRAI (future) domains* in FY 2026. Especially, because the *promotion of urban and regional development/corporate DX and GX* and the *enhancement of green power business* are themes that directly relate to the solution of social issues, the Group will realize larger social values in these areas through the expansion of business volumes, leveraging the *MIRAI (future) domains* and the *Full-Value Model*.

Change 3: Top-class profitability

As mentioned above, the Group improved the operating income ratio in the last 10 years to achieve a record-high of 7% in FY 2021. However, the Group is ranked in the middle in the industry, and the forecasted operating income ratio of FY 2022 drops to 5%-plus due to the business structure change and other causes. With such a background, we will implement Change 3 to make a structural approach (fundamental review) and an operational approach (elaborate review) to achieve industry-leading profitability. In the structural approach, we will standardize and simplify different operation flows for individual telecommunication carriers, and consider DX to streamline largely paper-based partner transactions and the renewal of the company information systems. In the operational approach, we will accelerate operational streamlining mainly by continuing benchmarking, in which group companies share succeeded business cases, and activities of the *Profit Up (Improvement) Committee*, which is a new Group-wide cross-sectional organization.

Change 4: Management based on data insights

With Change 4, we will leverage the strength of management resources for ICT that we have cultivated as a unique advantage of the Group, and drive operational and managerial reform by insights (knowledge and intuition) gained through the review and scientific analysis of data (facts/information) gained

by DX. We will forcefully advance DX and data insight management as an all-Group effort because they relate to all five changes with big impact and they are essential for going *Beyond a Telecommunications Construction Company*.

Specifically, we will promote health management and work-style reform based on the health data of employees and directors, accelerate business growth, and realize industry-leading profitability, through *aggressive DX* that drives the strengthening of sales and marketing and *defensive DX* that drives operation streamlining. In addition, we will also use data insight for efforts toward carbon neutrality and compliance, which will be explained below as Change 5 (Strong foundation for ESG management).

In order to drive these efforts, we will secure *DX experts*, who are high-level professionals, and create a *DX core personnel* of 2,000 members, who drive DX in different organization, by FY 2026.

Change 5: Strong foundation for ESG management

The Group established the ESG Management Promotion Committee in FY 2021 and identified materiality as an important social issue to be tackled. Thus, as Change 5, the Group will continue the strengthening of the ESG management base and integrate the total Group capabilities to solve social problems.

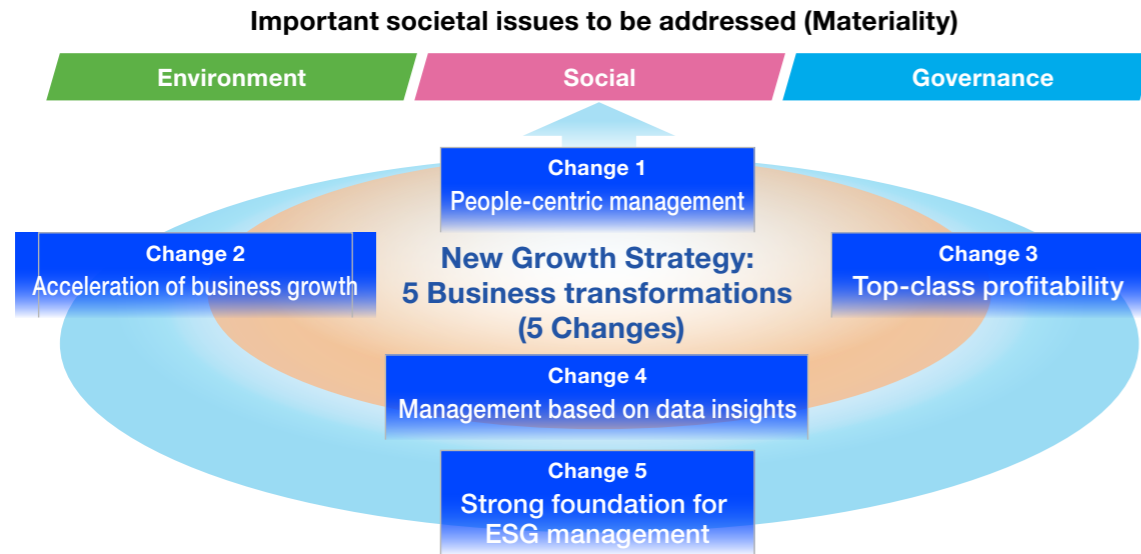
As for efforts related to environment (E), we will actively disclose Group efforts and financial impacts related to carbon neutrality based on the recommendation of the Task Force on Climate-related Financial Disclosures (TCFD). Also, we committed to the goal of the efforts by applying for SBT certification. (See P.26-27.) Toward the realization of carbon neutrality in 2050, we will reduce our greenhouse gas emissions and strengthen initiatives that contribute to the reduction of the impact of society and customers on the environment through business activities of the Group. As for efforts related to society (S), we started the *MIRAIT ONE Partner Association* considering that collaboration with partners is important for the strengthening of ESG management base. We are conducting initiatives together with partners for our growth and social contribution such as the promotion of safety, compliance, and DX and the reform of value chains in workplaces. (See P.33-34.) As for governance (G), we are strengthening our efforts for safety and compliance deeming them keys to good governance (see page P.51.). We also strengthened corporate governance by becoming a Company with Audit and Supervisory Committee in July 2022.

With these efforts, the Group will advance as a *future implementation company* that can contribute to society than ever. Please look forward to values created by the *MIRAIT ONE Group* in years to come.



Path to the Realization of Long-term Vision

With MIRAIT ONE Group Vision 2030, the Group tackles five business transformations, *5 Changes*, as the new growth strategy for going “Beyond a Telecommunications Construction Company.” The Group aims to grow in the next 10 years by conducting business by the full value chain model, enhancing the comprehensive engineering and servicing capabilities that have been cultivated based on the fourth mid-term management plan ending in FY 2021.



Fourth Mid-term Management Plan (2019-2021)

Basic approach

- Make the most of the management resources enhanced by business merger, in the business environment experiencing big changes such as the change of the business model of telecommunications carriers, our customers, anticipation of 5G-based new services, growing demand on new solutions for the coming age of full-fledged IoT, and the acceleration of the reconstruction of social infrastructure toward 2020.
- Aim to grow further by accelerating the transformation of business structure centering around *comprehensive engineering and servicing* and by maximizing the synergy of business merger.

Target

Net sale: **450** billion yen ■ Operating income: **27** billion yen ■ Operating income rate: **6.0%** ■ ROE: **8%** or higher

Key initiatives

- Generation of new business opportunities**
 - Development of solution business by leveraging the expanded regional coverage achieved by management integration
 - Taking new business opportunities that transcend the conventional framework of business domains and technologies
- Acceleration of transformation of business structure**
 - Acceleration of transformation from carrier business to solution business
 - Promotion of transformation of quality in solution business (emphasis on profit)
- Enhancement of productivity and reduction of costs through efficient operations**
 - Ensuring operation of construction work through stronger ties with partner companies
 - Sharing of systems and consolidation of common operations
- Strengthening of the basis of human resources**
 - Improvement of productivity and securing of human resources through work style reforms
 - Enhancing & Revitalizing the human resource to support expansion into new business domains and operational innovation
- Promotion of ESG-oriented management and safety/quality**
 - Perceiving business in terms of both risks and opportunities from the perspective of strengthening ESG, and responding to them adequately
 - Establishment of the MIRAIT Group brand responding to customers' needs for peace of mind and reliability by the *safety and quality improvement*
- Capital policy**
 - Maintaining a sound financial standing
 - Management conscious of capital cost
 - Acquisition of treasury shares to achieve an ROE of 8% or higher

Performance

	FY 2019	FY 2020	FY 2021	Difference from target
Net sales	441.1 bil. yen	463.7 bil. yen	470.3 bil. yen	+20.3 bil. yen
Operating income	21.9 bil. yen	30.1 bil. yen	32.8 bil. yen	+5.8 bil. yen
Operating income ratio	5.0%	6.5%	7.0%	+1.0P
ROE	7.4%	11.0%	10.7%	+2.7P

MIRAIT ONE Group Vision 2030

Basic approach

The Group aims to evolve to a company group that continues to contribute to the solution of social problems in a wider area of social infrastructure based on the redefined Purpose/Mission. In order to continue to be a trusted company group that *build and maintain* future social infrastructure, the Group is now operating based on *MIRAIT ONE Group Vision 2030*, which is the vision toward 2030, and the *fifth mid-term management plan*, which is the five-year plan starting from FY 2022.

New Growth Strategy: Five Business transformations—5 Changes

Change 1: People-centric management

- Opening of MIRAIT College (“Driving force of business structure reform” providing learning and connection)
- Health management* creating a friendly working environment and protecting the physical and mental health of employees
- MIRAIT ONE work style reforms living with COVID-19

Change 2: Acceleration of business growth

- Clearly redefining growth areas as *the MIRAIT (future) domains* and injecting resources (promotion of business structure reform to the Full-Value Model)
 - Urban and regional development business, and acceleration of corporate DX and promotion of green operations
 - Entry into the green power business contributing to decarbonization
 - Strengthening of software business contributing to customers' DX (strategic consolidation)
 - Strengthening of global business promoting overseas data center related business and infrastructure sharing
- Strengthening of customer base of existing business (responding to expansion of customers and growth of customers)

Change 3: Top-class profitability

- Strengthening of management foundation through concentration and

- improvement of efficiency by integrating the three companies
- Improvement of efficiency through the fundamental revision of operations and utilization of data insight
- Review of existing operations and costs through promotion of group coordination

Change 4: Management based on data insights

- Establishment of knowledge-based data environment and optimization of sales approach (aggressive DX)
- Value chain reform, smart construction, utilization of BPO/RPA/robotics (defensive DX)
- Development of experts and core personnel, improvement of companywide literacy (development of DX personnel)

Change 5: Strong foundation for ESG management

- Initiatives aimed at the achievement of greenhouse gas reduction targets (science-based targets)
- Creation of social value through the MIRAIT ONE Partner Association
- Strengthening the audit function by enhancing the audit system and the three-lines of defense
- Strengthening of corporate governance through new Group management system

Fifth Mid-term Management Plan (2022-2026)

Financial Targets

	FY 2021 results	FY 2022 plan	Management targets of FY 2026
Net sales	470.3 bil. yen	540.0 bil. yen	720.0 bil. yen or more
MIRAIT domains ratio*	17%	31%	40% or more
Operating income (ratio)	32.8 bil. yen (7.0%)	30.0 bil. yen (5.6%)	Operating income ratio 7.5% or more
ROE	10.7%	–	10% or more
EPS	251 yen	–	Annual growth rate of 10% or more

* Ratio of MIRAIT (future) domains in net sales

Further Strengthening of Shareholder returns

- Total shareholder return ratio at 50% level
 - Stable dividend growth and flexible share buyback
- Considering retirement of treasury stock that has no intended use

Enhance investment for growth

- Allocation of Free Cash Flow after shareholder returns will be prioritized to growth investment
- Utilization of Liabilities will also be considered (assuming external credit rating of [A] is maintained)

Non-financial Targets

Environment			
Decarbonization	Percentage Reduction of Greenhouse Gas emissions	Scope 1 and 2	42% down (FY 2030) compared to FY 2020
		Scope 3	25% down (FY 2030) compared to FY 2020
Resource recycling	Industrial waste final disposal ratio		1.5% or below (FY 2030)
Social			
Safety quality	Number of accidents resulting in injury or death/number of serious facility accidents		Aim for zero
Talent development	% personnel with multiple qualifications		50% or above (FY 2026)

Environment

- Establishment of policy on disposal of industrial waste (July 2022)
- Preparation of green procurement guideline (November 2022)

Social

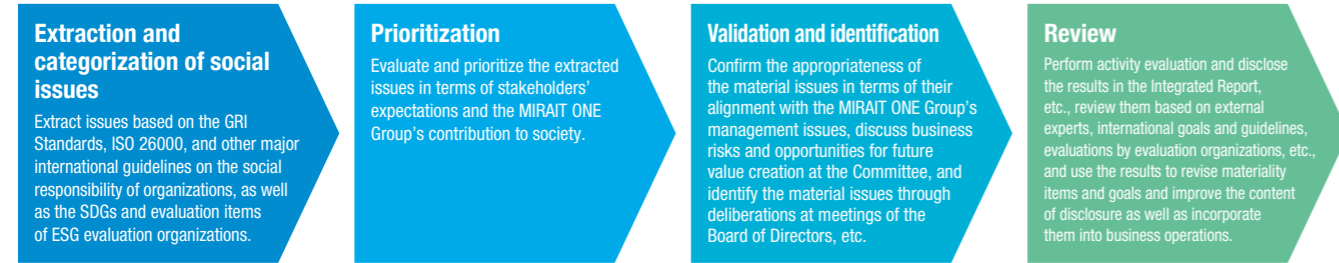
- Opening of MIRAIT College, health management declaration, and basic policy on human rights (July 2022)
- Smart work/life style declaration and Diversity & Inclusion declaration (planned for December 2022)



Close Interlocking of Materiality and Growth Strategy

For the realization of mid- and long-term growth and the improvement of company value, the Group will capture abundant business opportunities such as global efforts toward decarbonized society, while taking measures against various risks related to human resources and climate changes. With the recognition of these opportunities and risks, the materiality items identified in 2021 clarifies social problems that the Group should tackle, and they are listed as key initiatives of the mid-term management plan.

Materiality Identification Process



Mid-term, Long-term, and Continuous Improvement of Company Value

Accomplish **MIRAIT ONE Group Vision 2030** by evolving to a company group that continuously contribute to the solution of various social problems in a wider area of social infrastructure.

Drive materiality initiatives as **the non-financial targets and as key initiatives of the fifth mid-term management plan (2022-2026)**

Materiality	Non-financial targets tackled as key initiatives of the fifth mid-term management plan	Actions to be taken in coming years	Covered SDGs
<p>Building and Maintaining an Environmentally-Friendly Society</p> <p>Environment (E)</p> <p>Realization of a decarbonized society through business activities</p> <p>Contribution to environmentally-friendly and resilient urban and regional development</p>	<ul style="list-style-type: none"> Reduction of greenhouse gas emissions: 42% reduction from the FY 2020 level by FY 2030 (scope 1, 2) 25% reduction from FY 2020 (scope 3) Promotion of green procurement Reduction of industrial waste final disposal ratio: 1.5% or below by FY 2030 	<ul style="list-style-type: none"> Enhancement of disclosure of information related to TCFD, etc. Enhancement of regional development projects Boosting the status in different regions 	
<p>Building and Maintaining a Safe, Secure, and Prosperous Society</p> <p>Society (S)</p> <p>Safety and quality improvement</p> <p>Co-creation of social value through collaboration with partners</p>	<ul style="list-style-type: none"> Eradication of accidents resulting in serious injury or serious facility damage: Aim for zero accidents 	<ul style="list-style-type: none"> Prevention of customer privacy violation and customer data leak Promotion of engagement activities with different stakeholders (customers, employees, partner companies, shareholders, suppliers, etc.) 	
<p>Building and Maintaining a Culture Where People Respect Diverse Human Resources and Learn from Each Other</p> <p>Society (S)</p> <p>Promotion of human resource development, work-style reform, and health-oriented management</p> <p>Respect for human rights and promotion of diversity and inclusion</p>	<ul style="list-style-type: none"> % personnel with multiple qualifications by promoting the Mirai College: Aim for 50% or more by FY 2026 	<ul style="list-style-type: none"> Promotion of work style reform Promotion of measures for healthy management Activities based on human rights policy Execution of the action plan related to diversity and inclusion 	
<p>Building and Maintaining a Fair and Transparent Corporate Group</p> <p>Governance (G)</p> <p>Enhancing corporate governance</p> <p>Thorough compliance</p> <p>Thorough risk management</p>	<ul style="list-style-type: none"> Strengthening of corporate governance by starting operation as a Company with Audit and Supervisory Committee 	<ul style="list-style-type: none"> Enrichment of the content of the corporate governance report Thorough implementation of the safety/compliance charter Monitoring by the risk management committee 	



Business Strategies

For the *telecommunications infrastructure domain*, including the NTT business and the multi-carrier business, the MIRAIT ONE Group will respond to the growth and changes of telecommunications carriers, which are the main customers of the Group. For the *corporate/environmental and social infrastructure domain* including environmental and social innovation business and ICT solutions business, the Group will enhance the quantity and segments of customers in B2B and B2G (local governments, etc.) markets, aiming for continuous growth of business.

NTT Business

Telecommunications infrastructure domain

Basic Policy

The Group will conduct the construction, maintenance, and operation of wired and wireless telecommunications equipment of the NTT group and help enhance the optical fiber networks and mobile networks. In the event of disaster, the Group will play the role of a guardian of telecommunications networks by conducting emergency recovery construction and reconstruction.

Although the domestic telecommunication construction market is on the mild decline, we will continue to enhance the management resources and strength cultivated by doing business in this market as our core business since early years of the Group history, in order to contribute to the continuous growth of the Group.

Performance in FY 2021

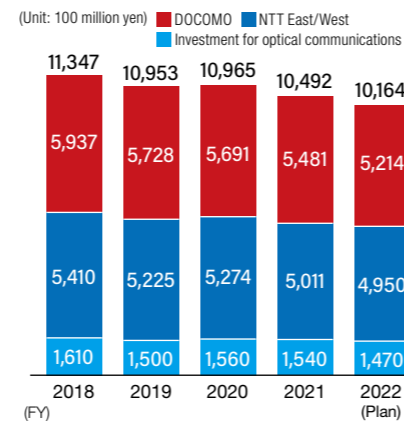
Thanks to the completion of projects for promoting the construction of advanced wireless environment in Hokkaido, Tohoku, and Chugoku regions, the income increased by 6.4 billion yen from the last fiscal year. Also, we vigorously enhanced multi-skilled personnel through efforts such as starting nation-wide checkup of mobile base stations by fixed telecommunications engineers. This helped reduce cost and secure human resources.

Market Growth Prospect/Strategy, etc.

Although investments on equipment related to telecommunications construction by NTT East, NTT West, and NTT DOCOMO are on the downward trend, we will continue to use the on-site capabilities and carrier grade technical competence cultivated mainly by operations in this domain to drive the growth of the whole Group.

Investment in equipment by NTT East/West/DOCOMO

(Total investment of the NTT group for regional and mobile telecommunications business)



*1 From FY 2017, IFRS-based figures are shown for regional telecommunication and mobile telecommunication business segments.
 *2 Investment figures for optical communications from FY 2018 are figures used in the application for approval of business plan.
 *3 Figures of DOCOMO for FY 2022 indicate investment in telecommunications equipment by the new DOCOMO group.
 Source: Compiled by MIRAIT ONE Corporation based on the data announced by NTT

Multi-carrier Business

Telecommunications infrastructure domain

Basic Policy

The Group conducts construction, maintenance, and operation focusing on mobile communications facilities of non-NTT mobile networks to support the increasing speed and capacity. Having almost finished initial construction for 5G area expansion, the Group will now accelerate adaptation to new customer investment areas such as virtualization of the telecommunication infrastructure.

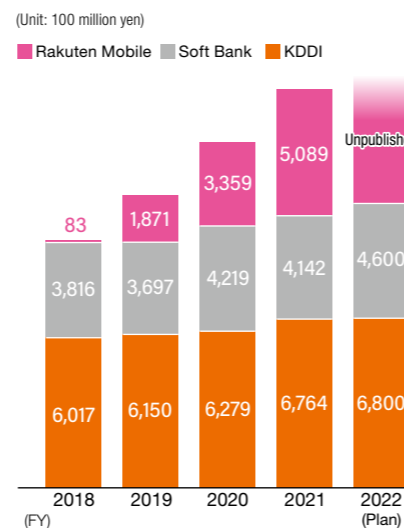
Performance in FY 2021

Although there are differences among telecommunications carriers, the income increased by 8 billion yen from the last fiscal year by the acceleration of 5G base station construction and other factors. In addition, with the expansion of telecommunication demand in the background, the volume of network reinforcement construction of CATV companies continued high. In addition, the Group restructured group companies that engage in the mobile business in July 2021, which streamlined operation through business integration.

Market Growth Prospect/Strategy, etc.

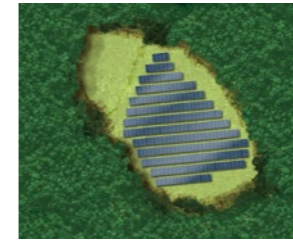
Investment by NCC carriers in mobile business equipment, which has been growing several years, is expected to be flat in coming years, and customer investment is shifting from hardware networks to software networks. In view of these circumstances, the Group will capture new business opportunities including system development that leverages telecommunications construction know-how such as virtualization technologies and i-Construction.

Investment by NCC carriers in mobile business equipment



* For Rakuten, the total mobile investment is extracted from investment on equipment.
 Source: Compiled by MIRAIT ONE Corporation based on the data announced by individual companies

Case Latest case



Starting Construction of a Solar Power Generation Plant

From September 2022, the Group started the construction of a solar power generation plant in Fujinomiya City, Shizuoka Prefecture. The plant is scheduled to start full operation (power generation) in March 2023. MIRAIT ONE Corporation will own the business of the plant, and conducts everything including the securing of the land, construction of power generation facilities and their sales, and power retailing.

Completed plant (composite)

Environmental and Social Innovation Business

Corporate/Environmental and Social Infrastructure domain

Basic Policy

The Group builds, maintains, and operates solar power generation systems, EV charging stations, and storage battery systems to build more new energy infrastructures that help decarbonize the society. In addition, we will contribute to the construction of next-generation environmental and social infrastructures through the elimination of utility poles (undergrounding of electric wires), electrical and air conditioning work, including LED installation, water and sewage work as well as road infrastructure work, such as bridge construction.

Performance in FY 2021

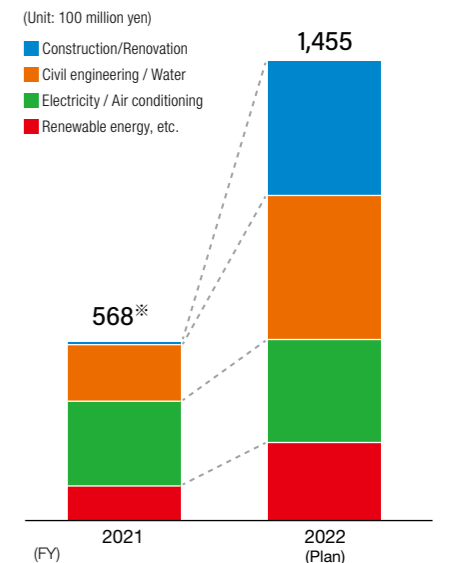
Although electric and lighting construction increased, sales in this domain decreased 2.5 billion yen from the last fiscal year due to the replacement of many larger solar power generation facilities with mid- and small-sized facilities and the reactionary fall of air-conditioning construction from the strong sales of the previous period. From FY 2022, sales are expected to increase thanks to strong orders of the previous fiscal year and the year-around contribution of Seibu Construction Co., Ltd. that joined the group.

Market Growth Prospect/Strategy, etc.

The Group will leverage the high-quality low-cost green power business model that we have cultivated as the growth driver, with a view to the upward trend of the renewable energy market backed by global decarbonization efforts. Also, we will maximize the synergy of the civil engineering, construction, and renovation businesses of Seibu Construction Co., Ltd.

* FY 2021 sales are presented in the new business segmentation.

Net sales*



Multi-carrier Business

Telecommunications infrastructure domain

Basic Policy

The Group conducts construction, maintenance, and operation focusing on mobile communications facilities of non-NTT mobile networks to support the increasing speed and capacity. Having almost finished initial construction for 5G area expansion, the Group will now accelerate adaptation to new customer investment areas such as virtualization of the telecommunication infrastructure.

Performance in FY 2021

Although there are differences among telecommunications carriers, the income increased by 8 billion yen from the last fiscal year by the acceleration of 5G base station construction and other factors. In addition, with the expansion of telecommunication demand in the background, the volume of network reinforcement construction of CATV companies continued high. In addition, the Group restructured group companies that engage in the mobile business in July 2021, which streamlined operation through business integration.

Market Growth Prospect/Strategy, etc.

Investment by NCC carriers in mobile business equipment, which has been growing several years, is expected to be flat in coming years, and customer investment is shifting from hardware networks to software networks. In view of these circumstances, the Group will capture new business opportunities including system development that leverages telecommunications construction know-how such as virtualization technologies and i-Construction.

ICT Solutions Business

Corporate/Environmental and Social Infrastructure domain

Basic Policy

With our ICT technology, we provide high-quality solutions that respond to a wide range of social and business issues, including introducing LAN/PBX and Wi-Fi, ensuring security, building management advancement, and promotion of operational efficiency. Also, we are building and operating data centers and using drones to further expand the breadth of these solutions, and will strategically strengthen the global business enhancing overseas data centers and infrastructure sharing.

Performance in FY 2021

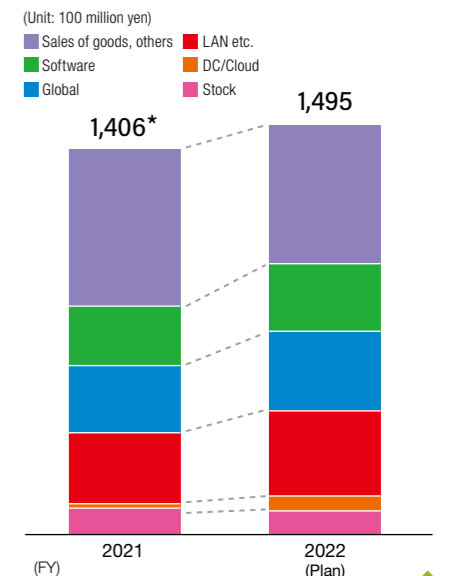
Although data center construction increased because of needs for enhancing telecommunications facilities to respond to telework, remote conference, and remote classrooms in the COVID-19 pandemic, and also Lantrovision, a subsidiary in Singapore, regained momentum, sales in this domain declined 5.2 billion yen from the last fiscal year due to the reactionary fall of demands related to the GIGA school that boomed in the previous fiscal year.

Market Growth Prospect/Strategy, etc.

In view of the upward trend of business opportunities backed by rising DX demand, we will leverage the software technical competence of MIRAIT ONE SYSTEMS (established in July 2022), which consolidates the Group's software-related resources to expand the business volume and strengthen the recruitment and cultivation of human resources.

* FY 2021 sales are presented in the new business segmentation.

Net sales*



Business Performance, Analysis of Financial Status and Cash Flow, and Financial/Assets Strategy

Business Performance

■ Overview

In FY 2021, economic activities gradually regained momentum toward normal in spite of continuing COVID-19 pandemic. On the other hand, the situation in Ukraine made future prospect uncertain. We need to keep a careful eye on downward risks due to short supply of semiconductors, price hikes of raw materials and energy, failure of supply chains, caused by the pandemic and the situation in Ukraine.

As for the business environment of the Group, some construction projects were delayed due to delayed delivery of construction materials, but mobile infrastructure construction increased by the acceleration of the base station deployment plans for the enhancement of 5G services. Also, we can expect rising needs for new ICT solutions brought by the promotion of DX, such as the increasing use of online services and the shift of inhouse systems to cloud services. Other movements that we can expect include the strengthening of digital infrastructure that supports governmental green growth strategy such as shift to renewable energy aiming for decarbonized society and the promotion of decarbonization for regional development.

In such circumstances, in order to continue to be a trusted Group that *builds and maintains* future social infrastructure (telecommunication and energy) as a *total engineering service company*, while continuing the preventive measures against COVID-19, the Group has been working to boost company values and continuous growth by streamlining management through the promotion of work style reform and DX within the Group

■ Efforts in Different Business Domains, Capital Policy, etc.

In the NTT business, we worked to boost sales by the increase of optical fiber construction in the advanced wireless environment promotion program, and tried to improve the profit rate by streamlining facility operation.

In the multi-carrier business, we worked to increase the sales taking advantage of the increase of mobile infrastructure construction for the expansion of 5G services, the increase of construction for Rakuten Mobile, and the increase of CATV construction. Also, for the strengthening of technical competence

and the human resource base, we endeavored to foster multi-skill engineers capable of the construction and maintenance of both fixed and mobile telecommunications equipment.

In the environmental and social innovation business, we increased the sales through the effort of getting orders for electric, lighting, and air-conditioning construction projects, in spite of decrease in construction projects of large solar power generation facilities.

In the ICT solutions business, we worked to boost sales taking advantage of the increase of data center and cloud construction projects and the increase of global projects handled by the Lantrovision Group. Furthermore, aiming for mid- and long-term expansion of global business, we decided to invest in LBS Digital Infrastructure Corp., which operates telecommunication towers in Philippine.

On the other hand, as an expeditious capital policy for increasing the shareholder return and responding to changes in business environment, we conducted a share repurchase (2.48 million shares, 5 billion yen).

■ Results

With above, the results of FY 2021 were orders received of 521.31 billion yen (up 9.8% from the last fiscal year) and net sales of 470.385 billion yen (up 1.4% from the last fiscal year). Also, the operating income was 32.804 billion yen (up 8.9% from the last fiscal year), the ordinary income was 34.152 billion yen (up 7.6% from the last fiscal year), and the net income attributable to the shareholders of the parent company was 25.163 billion yen (up 4.0% from the last fiscal year) due to selling of cross-shareholdings. Operating income ratio was 7.0% and ROE was 10.7%.

Financial Status

■ Assets

Total assets at the end of FY 2021 were 432.683 billion yen, with an increase of 73.931 billion yen from the last fiscal year. In detail, current assets increased 42.64 billion yen and fixed assets increased 31.291 billion yen from the last fiscal year. Current assets increased by accounts receivable of increased completed construction and fixed assets increased by the recording of the goodwill gained by the stock acquisition of Sei-

bu Construction Co., Ltd. Also, with the stock acquisition of Seibu Construction Co., Ltd., current assets increased 47.956 billion yen and fixed assets increased 5.571 billion yen.

■ Liabilities

Liabilities were 183.446 billion yen, with an increase of 56.018 billion yen from the last fiscal year. In detail, current liabilities increased 55.664 billion yen from the last fiscal year, and fixed liabilities increased 0.353 billion yen from the last fiscal year. The major causes were the increase of accounts payable for construction etc. and the increase of short-term borrowings. Also, with the stock acquisition of Seibu Construction Co., Ltd., current liabilities increased 15.211 billion yen and fixed liabilities increased 0.053 billion yen.

■ Net Assets and Capital-to-asset Ratio

Net assets were 249.237 billion yen, with an increase of 17.913 billion yen from the last fiscal year. These result from a 20.575 billion yen increase of retained earnings by the recording of 25.163 billion yen of current net earnings attributable to shareholders of the parent company, although there was payment for dividends and share repurchase.

As a result, the capital-to-asset ratio became 56.0% (63.1% at the end of last fiscal year), and net assets per share became 2,446.54 yen.

Cash Flow

In FY 2021, the cash and cash equivalent (*funding*, hereafter) was 48.901 billion yen, with an increase of 6.049 billion yen from the last fiscal year.

■ Operating Cash Flow

The operating cash flow increased 12.972 billion yen (41.602 billion yen last fiscal year) as the result of recording a net income before taxes and other adjustments of 37.504 billion yen, although there was a decrease of funds due to payments of corporation tax, etc. of 14.429 billion yen.

■ Investment Cash Flow

The investment cash flow decreased 46.204 billion yen (an increase of 1.869 billion yen last fiscal year) due to the payment of 43.41 billion yen for the stock acquisition of Seibu Construction Co., Ltd.

■ Financial Cash Flow

The financial cash flow increased 38.395 billion yen (a de-

crease of 32.2 billion yen last fiscal year) due to the increase of funds by a net increase of 49.92 billion yen in short-term borrowing, although there was a payment of 5.003 billion yen for share repurchase and a payment of 4.794 billion yen for dividends.

Financial/Assets Strategy

■ Financial Policy

With the basic policy of maintaining both the stable financial base and capital efficiency, the Group will work to create new business opportunities, to accelerate the transformation of the business structure, and to increase the company value. For that goal, the Group will strategically allocate management resources while maintaining the healthy financial base and considering capital costs. As for shareholder returns, the Group will make decisions with comprehensive consideration on the capital policy, performance, funds status, etc. with an eye on a total shareholder return ratio of 50%.

■ Funding Needs

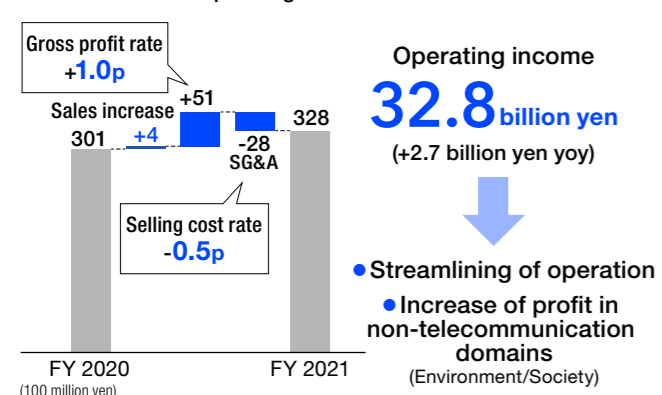
Funding needs for the ordinary operation of the Group include those for materials and consignment related to construction and labor costs. Spending in investment activities includes facility investment for the acquisition of business assets and the money spent on M&A and other investment and financing activities for future growth.

Also, the Group will allocate the Group cash flow to shareholder returns through activities such as share repurchase as an expeditious capital policy for stable and continuous growth of dividends, with an eye on a total shareholder return ratio of 50%.

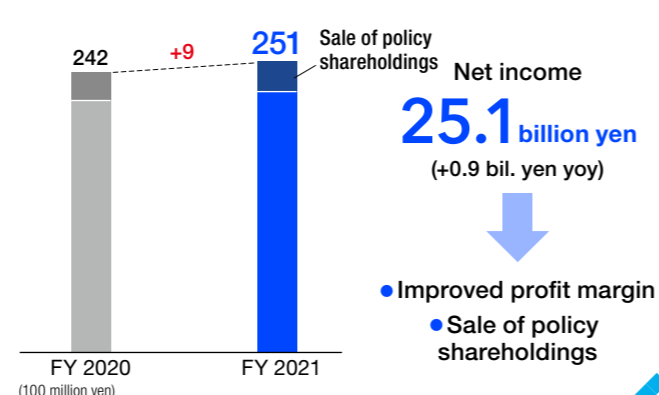
■ Method and Status of Funding

The Group basically raises funds internally, and have introduced a cash management system (CMS) for the effective use of the Group funds. However, we make short-term borrowings from financial institutions in the event of temporary needs for funds. Also, to be prepared for needs of funds for emergency and investments for growth such as M&A, we strive to secure adequate cash and deposits. In addition, we are working to organize ourselves to secure funding by maintaining and strengthening the relationship with financial institutions to set a short-term allowance of borrowing, and by winning external credit ratings.

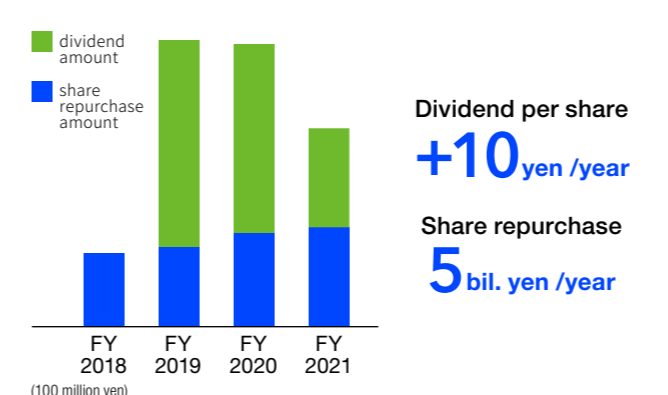
Variable factors of operating income



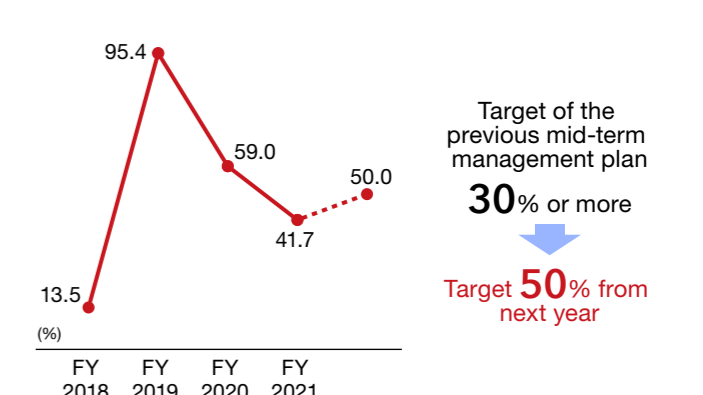
Variable factors of net income

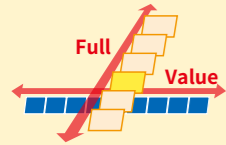


Shareholder returns



Total shareholder return ratio





Story of Creating Values

The story of the Group for creating new values has already started under Purpose, Mission, and MIRAIT ONE Group Vision 2030. As a *future implementation company* that contributes to society, the Group will continue to grow and raise the company value by delivering results in the *MIRAI (future) domains* such as the promotion of urban and regional development/corporate DX and GX leveraging the *Full-Value Model*.

Story

Smart Community Model of Namie-machi, Fukushima

For Namie-machi, Fukushima, the Group provides an EMS* solution that provides central energy management and control for local governmental institutions such as municipal buildings, schools, gymnastic halls, and hospitals using ICT, telecommunication control, and other technologies.

The EMS integrates various types of renewable energy involving solar power generation, wind power generation, hydrogen-fuel cells, and solar heat collector, to contribute to the development of a new urban community that uses locally-generated-and-consumed renewable energy seeking decarbonized society.

*Energy Management System



MICHINOEKI (Roadside Station) NAMIE—Site of Information Dissemination
Green EV system connected to renewable energy

Story

Construction of Sapporo Odori Aquarium (tentative), Hokkaido

Vibrancy Creation Model in the Community

The Group is conducting the construction of an urban-type aquarium at the heart of the Sapporo urban area in a way that it creates vibrancy in the community to contribute to the advancement of the regional society. In special construction projects for which the Group receives orders as the joint venture group with MMD Inc., which the Group invests in and has partnership with, we build life support systems that create environments optimum for caring and living with living things. Cases are increasing in the nation that create urban communities in both the hardware and software aspects through the construction of facilities that disseminates new life styles by providing *places of culture, communication, and vibrancy and places of learning environmental themes*.



Sapporo Odori aquarium (tentative)

1 Proposition of the Full-Value Model

EMS×ICT



Case: Smart community model of Namie-machi, in Fukushima

City・Facility × ICT



Case: Construction of Sapporo Odori Aquarium (tentative), Hokkaido
Vibrancy Creation Model in the Community

2 Strengthening architecture/civil engineering solutions

Architecture・Civil engineering × ICT

Case: Construction machinery safety enhancement model, in Gunma



Promotion of urban and regional development/corporate DX and GX

Target net sales of FY 2026

30 billion yen

Electricity・Construction × ICT



Case: Sanriku firework event DX model, in Iwate

Water supply・Civil engineering × ICT



Case: Water supply conservation model, in Hyogo

3 Toward Continuing Business

Purpose (Meaning of existence)

Co-creating an *exciting future* through challenges and technology.

OUTCOME

To contribute to a resilient and sustainable future for the regions/companies

Story

Sanriku firework event DX model, in Iwate

DX using digital twins is facilitating event planning of the customer and the convenience of spectators.

For *SANRIKU FIREWORKS COMPETITION 2022*, the Group collaborated with FIREWORKS Co. Ltd. to build a digital twin by obtaining the 3D point data of the large site, which was useful in many ways such as the verification of spectators' views of fireworks from arbitrary points and the simulation of the installation of temporary facilities.

The Group will continue to contribute to DX for planning and operation, DX for installation of temporary facilities, and DX for the improvement of spectators' convenience.



Simulation of firework

Story

Construction machinery safety enhancement model, in Gunma

As one of the cases of the Full-Value Model that the Group are conducting with Seibu Construction Co., Ltd., the Group is creating a mechanism for drivers of construction machines to find their positions using a wireless device while driving in a snow mountain to prevent dangers such as slip drop.

The Group will contribute to the solution of the social issue of ensuring safety in construction sites that suffers shortage of workers, by combining the experience in construction sites and safety know-how that Seibu Construction Co., Ltd. has accumulated over the 80 years of its history and the ICT solutions that the Group has cultivated as its strength.



Ensuring safety in snow mountain

Promote ESG-oriented Management

Promote ESG-oriented Management to contribute to the SDGs and enhance corporate value for sustainable growth

The MIRAIT ONE Group promotes ESG-oriented management with the aim of contributing to the SDGs and enhancing corporate value for sustainable growth.

The measures implemented in FY 2021 under the ESG Management Promotion Committee, which was established in September 2021, include the "identification of material issues (materialities)" and "endorsement of the TCFD".

The Fifth Medium-term Management Plan that begins in FY 2022 identifies "Strong foundation for ESG management" as

one of the five changes stated in the growth strategy to realize MIRAIT ONE Group Vision 2030. They include the "initiatives aimed at the achievement of greenhouse gas reduction targets," "creation of social value through the MIRAIT ONE Partner Association," "enhancement of audit system and strengthening of audit functions through three-lines of defense," and "strengthening of corporate governance through new Group management system."

ESG Management Promotion Structure

The ESG Management Promotion Committee, chaired by the President and CEO, formulates basic policies and strategies on ESG management in general, identifies material issues, and responds to various environmental initiatives.

Also, starting in July 2022, the "Risk Management Executive Committee," "Compliance Executive Committee" and "Human Rights/D&I (Diversity and Inclusion) Committee," chaired by the compliance officer, are administered under the ESG Management Promotion Committee. The Risk Management Executive Committee deliberates and decides on policies and

systems for effective and efficient risk management, while the Compliance Executive Committee reports and corrects cases of compliance incidents in the Group and examines measures to raise compliance awareness. The Human Rights/D&I Committee reports on human rights risk situations, and discusses and examines issues to be addressed, D&I promotion and other items.

ESG Management Promotion Structure Chart



Building and Maintaining an Environmentally-Friendly Society

Realization of a decarbonized society through business activities

Highlights: Information disclosure on TCFD begins/SBT certification application submitted

Information disclosure based on TCFD proposal

In October 2021, the MIRAIT ONE Group joined the TCFD Consortium², endorsing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)¹, which aims to proactively disclose the financial impact of climate-related risks and opportunities. In May 2022, we disclosed information based on the recommendations on "Governance," "Risk Management," "Strategy (Scenario)," "Target," and "Actual Performance" as described in the section below. In the future, we will monitor changes in the external and internal environment associated with climate change with respect to "identified risks" and "opportunity examination." We will also work to expand the scope of disclosure further to include the

development of risk management system, continued review of risks and opportunities based on scenario analysis, etc. and progress toward achieving the greenhouse gas emissions reduction targets.

Governance

In FY 2021, the ESG Management Promotion Committee (see P.25) was established in September. In its six meetings held since that time, the Committee adopted the materiality theme of "Building and Maintaining an Environmentally-Friendly Society" following deliberations by the Executive Committee and Board of Directors. To step up its contribution to realize a decarbonized society, the Group set the "greenhouse gas emissions reduction target (FY 2030)" as one of the KPIs in its Medium-term Management Plan and established a system to



¹ Established by the Financial Stability Board to facilitate more informed decision making on investments, credit, and insurance underwriting, help stakeholders better understand the concentration of carbon-related assets in finance, and formulate recommendations for more effective climate-related disclosures.

² An organization established as a forum for companies, financial institutions, etc. that endorse the TCFD, working together to discuss effective information disclosure by companies and initiatives to help financial institutions make appropriate investment decisions based on disclosed information.

Future where the target of less than 2°C (such as 1.5°C) is achieved: A scenario for the rapid materialization of a decarbonizing society

Envisioned scenario	Identified risks			Opportunity examination		
	Duration until risk occurrence	Type	Description	Duration until risk occurrence	Type	Description
Tighter carbon emission regulations	Medium- and long-term	Policy/regulation	• Increase in material and fuel procurement costs due to carbon taxation	Medium- and long-term	Product/service/energy	• Increase in demand for renewable energy and energy-saving projects (solar power generation, EV charging, LED lighting, etc.)
	Short-, medium- and long-term	Policy/regulation	• Increase in electricity costs due to a shift to renewable energy sources	Short-, medium- and long-term	Product/service/energy	• Increase in demand for shift to energy-saving equipment • Promotion of the efficient electricity use with the use of IoT
Increasing awareness toward decarbonization	Short-term	Market/reputation	• When environmental measures turn out to be inadequate - Decrease in orders for new construction projects - Termination of existing maintenance contracts - Loss of customers due to higher reputation risks	Short-term	Market	• Increase in demand for renovation work • Increase in demand for ZEB and smart city-related projects

Future where average temperatures rise by 4°C: A scenario characterized by the manifestation of physical impact

Envisioned scenario	Identified risks			Opportunity examination		
	Duration until risk occurrence	Type	Description	Duration until risk occurrence	Type	Description
Increase in the frequency and severity of natural disasters	Short-, medium- and long-term	Acute	• Damage to telecommunication equipment and base stations caused by heavy rains and typhoons and increase in restoration costs	Short-, medium- and long-term	Market/resilience	• Increase in demand for pole-free electricity to deal with abnormal weather conditions
	Short-, medium- and long-term	Acute	• Discontinuation of products and services due to disruption of the value chain	Medium- and long-term	Market	• Growing demand for disaster prevention and mitigation work for telecommunication equipment and base stations due to the increase in the frequency and severity of natural disasters
Rise in average temperatures	Long-term	Chronic	• Increase in air conditioning costs incurred by data centers, etc.	Long-term	Market	• Replacement of air conditioning equipment with high-efficiency equipment • Improvement of the operation of HVAC equipment
	Medium- and long-term	Chronic	• Increase in heat stroke and other health hazards among construction workers of telecommunications facilities • Productivity loss due to avoidance of extremely hot hours	Medium- and long-term	Resilience	• Further promotion of DX and remote working style

monitor its progress.

We also revised the remuneration system for board members to raise the awareness of management on ESG initiatives. In FY 2022, a non-financial target of "greenhouse gas emissions" was introduced as a new indicator in addition to the conventional indicators for performance-linked compensation: "consolidated operating profit" and "consolidated ROE."

Risk Management

We have established a basic policy and promotion system for risk management as a corporate group in the form of "Risk Management Regulations," as we take appropriate steps to deal with various risks based on our risk management plan.

In FY 2021, the Risk Management Executive Committee met twice to discuss and respond to the status of risk management and individual issues within the corporate group.

The ESG Management Promotion Committee also takes the initiative on climate-related risks and opportunities, monitoring changes in the external and internal environment associated with climate change and identifying climate risks and opportunities that affect our business. The identified risks and opportunities are evaluated and analyzed to determine their impact on the Group with a focus on risks and opportunities that have a high degree of impact. Following deliberations by the Board of Directors and the Executive Committee, these are incorporated as company-wide risks and opportunities.

Strategy

The MIRAIT ONE Group has analyzed the potential climate-related risks and opportunities in the future by referring to the scenarios based on the average temperature rise of less than 2°C (e.g. 1.5°C) and 4°C³. Consequently, it was assessed that the transition to a decarbonized society (policy/legislation/market/reputation) would be subjected to the impacts that manifest as a result of anticipated future events and physical (acute/chronic) impacts from climate change.

We reviewed our medium-term management strategy with respect to these risks and reaffirmed the "realization of a decarbonized society through business activities" as a material issue. In terms of our business engagement, we have also identified the growing demand for smart infrastructure/energy solutions as a prospective opportunity.

³ The scenarios refer to the following:
 A scenario in which a decarbonized society is realized quickly:
 • International Energy Agency (IEA) World Energy Outlook 2018 Sustainable Development Scenario (SDS)
 • IEA Energy Technology Perspectives 2017 Beyond 2°C Scenario (B2DS)
 A scenario in which the physical impact is manifested:
 • Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report
 • An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty

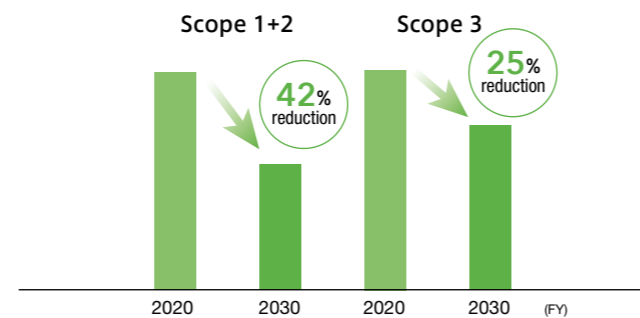
Target

In FY 2021, we set the greenhouse gas emissions reduction targets toward FY 2030. These targets are based on the SBTi (Science-based Targets initiative). In May 2022, we submitted a commitment letter to the SBT and are now applying for validation of these targets. These are also included as non-financial

targets in our Medium-term Management Plan that begins in FY 2022, in order to steadily capture growth opportunities for our business in relation to decarbonization.

Greenhouse gas emissions reduction targets toward FY 2030

	Target	SBT
Scope 1+2	Reduce the Group's greenhouse gas emissions by 42% from the FY 2020 level by FY 2030	Validation requested in May 2022
Scope 3	Reduce the Group's greenhouse gas emissions by 25% from the FY 2020 level by FY 2030 * Our policy is to promote emission reductions primarily through the purchased products/services and the use of products sold.	Validation requested in May 2022



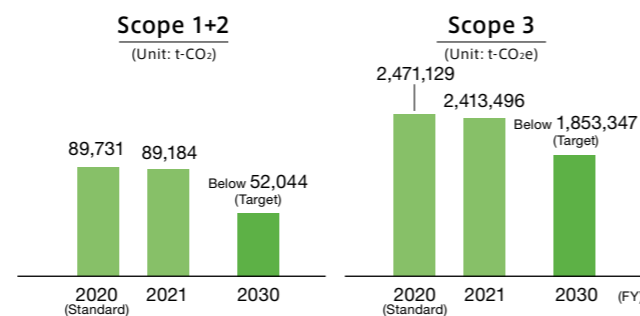
Actual results

The results of greenhouse gas emissions in FY 2020 and FY 2021 are as follows.

Reduction of greenhouse gas emissions

Category		Emissions	
		FY 2020 (Standard)	FY 2021
Scope 1	Direct emissions	66,890	67,907
Scope 2	Indirect emissions	22,841	21,277
Scope 3	Other indirect emissions	2,471,129	2,413,496
Category 1	Products/services purchased	513,291	452,295
Category 11	Use of products sold	1,892,870	1,848,997
Others (Category 2, 3, 4, 5, 6, 7, 13)		64,967	112,204
Total		2,560,860	2,502,680
Sum total for Scope 1-3		2,560,860	2,502,680

* Figures for FY 2020 (Standard) include those for Seibu Construction Co., Ltd.
 * Emission unit: Scope 1,2 (t-CO₂), Scope 3 (t-CO₂e)



Environmental Protection through Business Activities

We aim to realize a decarbonized society by constructing, operating, and maintaining more efficient social infrastructures and advanced energy-related systems as part of our business activities, and by promoting the supply of renewable energy.

We contribute directly to creating energy infrastructure needed for a decarbonized society through environmental and social innovation in the corporate/environmental and social infrastructure domain. Specifically, this is performed through the design, construction, operation and maintenance of power generation systems that rely on solar power and other renewable energy sources, installation and maintenance of LED lighting and EV charging systems, and supply of energy management and storage battery systems.

We also take an active part in initiatives toward realizing high-efficiency smart energy systems and smart cities, in addition to developing broadband wireless sensor network systems.

Promotion of renewable energy initiatives

Our focus in the supply of renewable energy is to build facilities and systems as part of the social infrastructure to promote its widespread and stable use.

In June 2022, we participated in a demonstration test aimed at the practical application of "off-grid power pole," an independent, next-generation, maintenance-free power source that operates on solar sheets and batteries. Leveraging the construction and digital technologies cultivated by the MIRAIT ONE Group in infrastructure construction, we support the verification of data utilization. We can illuminate streets in areas without electricity by installing LED lights that are powered by the above source. Also, cameras/sensors can be installed and connected to a digital signage, which can collect and send weather data and give off disaster prevention alerts in the event of a disaster.

In July 2022, we participated in the social implementation of "Use of Hydrogen for the Development of Future Cities" project by Fukushima Prefecture and Toyota Motor Corporation. To achieve carbon neutrality of offices and stores, we plan to install a stationary FC (fuel cell) generator in the Kashima sales office of the group company TTK Co., Ltd. before the end of FY 2022. In addition to contributing to lower carbon through the installation of the stationary FC generator, the generator will be operated and managed with a view to its utilization as a power source in the event of a disaster.

In addition, our Medium-term Management Plan that begins in FY 2022 and MIRAIT ONE Group Vision 2030 focus on expanding our green power business. As part of the "Full-Value Model" in our growth strategy Change 2: "Acceleration of Business Growth," we will be supplying renewable energy by

operating our own power generation business. This project is designed to create synergy in the business field in collaboration with Seibu Construction Co., Ltd., which became a group company in March 2022.

Initiatives for saving and creating energy

Saving and Creating Energy at Construction Centers

At local construction centers, we have installed LED lighting, demand monitoring systems for power consumption, and rooftop solar power generators to promote energy conservation.

Total annual power generation by solar power generators at MIRAIT ONE Corporation offices (10 thousand kWh)

FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
12.4	13.8	13.2	13.7	28.5*

* The scope of aggregation was changed in FY 2021.

Promoting Power Saving

To reduce electricity consumption, which accounts for a large portion of energy consumption in offices, the entire Group is working together to promote multifaceted power-saving measures. They include: reducing the number of printers and copy machines, and using them more efficiently; setting PCs to a power-saving mode; optimum indoor temperature control; switching off unnecessary lighting; and raising awareness on using elevators less frequently.

Vehicles with better fuel efficiency/reduction of greenhouse gas emissions

In addition to accelerating the conversion to low-emission, fuel-efficient vehicles such as EVs and hybrids, we also promote "eco-driving," which has a lower environmental impact and helps lower the number of traffic accidents. In addition, we will continue our activities to reduce greenhouse gas emissions through better fuel efficiency and company-wide educational campaigns on the use of fuel additives that cut greenhouse gas emissions.



Company car with an Eco-Drive Sticker

Contributing to Circular Society

Recycling Construction By-products

We continuously work to minimize construction by-products generated at each construction site and to find ways to recycle by-products that are generated. As part of that effort, we launched an initiative in 2008 in the telecommunications construction industry to transition from conventional, disposable wooden drums for winding steel stranded wire to reusable ECO drums. Today, ECO drums are used for most drum sizes.



ECO drums

Promoting Recycling of Used Construction Products

We collect used uniforms and helmets to promote recycling through material processing (to be reused as new raw materials).

Reducing Paper Use

MIRAIT ONE Corporation promotes specific measures and initiatives to reduce paper use by using less paper at meetings, eliminating the need to stamp paper documents and reforming business processes.

Establishing policy on disposal of industrial waste

In order to translate these series of resource recycling and waste reduction steps into sustainable growth and enhanced corporate value, the Group has established targets on the Industrial waste final disposal ratio for FY 2030 in its Medium-term Management Plan that begins in FY 2022. In July 2022, the “MIRAIT ONE Group Policy on disposal of industrial waste” was established to develop this initiative into effective policies.

KPI of the Fifth Medium-term Management Plan

Industrial waste final disposal ratio (FY 2030)

Below **1.5%**

Comprehensive Environmental Protection Measures

Green Development Guidelines

In FY 2017, the Group established the “Green Product Development Guidelines,” which outline the items to be considered in the development stages to protect the global environment.

In the development of construction methods, products and services, we comply with relevant laws and regulations and take into account the environmental impact throughout the life cycle.

Environmental Standards for Evaluating and Selecting Business Partners

As part of our integrated management system, we evaluate and select our business partners to ensure that they are capable of supplying products and services according to our requirements and to verify their compliance with our product requirements. Specifically, suppliers whose transaction value exceeds the predetermined amount are evaluated based on the Supplier Evaluation Criteria Table, which is shared across the Company.

The evaluation items include items related to quality, deadline, and management, as well as items dedicated to the environmental area (E) of ESG, such as ISO 14001 certification and efforts to reduce environmental impact.

Items subject to supplier score evaluation

Control items	Evaluation items
Deadline	Adherence to deadline and delivery
Environmental protection	Reduction of environmental load
Quality	Existence of defects
Improvement activities	Initiatives for improvement activities
Data asset management	Establishment of data asset management system
Management	Management stability

Environmental management

Each of our Group companies complies with and practices environmental management system (ISO 14001) (ratio of certified locations: 100%). Each business location evaluates the environmental impact of its operations, formulates measures to address significant environmental impacts, and implements a PDCA cycle for continuous improvement. Over the eight years from 2014 to 2021, our Group companies in Japan have reported zero cases of the violation of environmental laws and regulations, accidents/pollution that leads to environmental problems, or complaints about environmental problems.

Sharing Results

The actual values of our main performance indicators for environmental protection activities (CO₂ emission, electricity consumption, consumption of fuels such as gasoline and kerosene, emission of paper waste, household waste and industrial waste, and green purchasing payments) are utilized for monitoring and analysis. In summer and winter, when electricity consumption increases, each workplace implements its own targets to reduce power consumption.

Contribution to environmentally-friendly and resilient urban and regional development

Highlights: Launching of water pipe bridge inspection service using drones

Minimizing the Impact of Disasters and Accidents

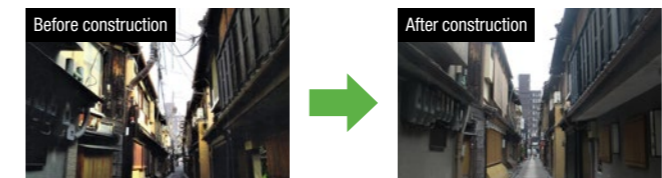
The MIRAIT ONE Group contributes to sustainable urban and regional development through the construction of eco-friendly and resilient social infrastructure by leveraging the Group’s technologies in a wide range of areas including IoT, 5G, ICT, and energy systems.

We recognize the important role the Group plays in recovery response, especially in the event of a disaster or accident, as a safeguard for the communications and network environment. We have conducted recovery activities for communication infrastructure in various regions that sustained damage from torrential rains in August 2021, Typhoon No. 10 in September 2020, and Typhoons No. 15 and No. 19 in September and October 2019.

Creating Information and Communication Infrastructures That Can Withstand Natural Disasters

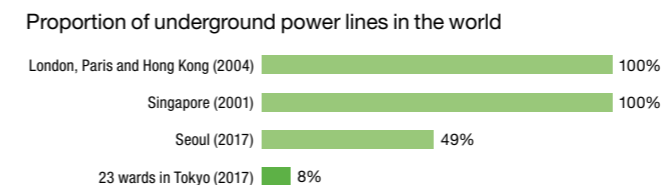
The proper functioning of information and communication networks is an integral element in people’s lives and industrial and economic activities. The MIRAIT ONE Group has emphasized its consistent commitment to the construction and operation of information and communication infrastructures that can withstand natural disasters, including wind and flood damage, and earthquakes.

An example is our focus on the initiative to lay power lines underground to eliminate utility poles that can be damaged or knocked down by earthquakes and typhoons. A landmark project of MIRAIT ONE Corporation involves the construction of underground power lines to eliminate utility poles in Ponto-cho, a signature scenic area in Kyoto. In consideration of the narrow roads in the area, a new construction method (small box method) was adopted for the first time in Japan. Officials from many municipalities, including the Tokyo Metro-



politan Government, have visited the site to witness the new construction method that requires less cost and a shorter construction period than conventional methods.

Given the low proportion of underground power lines in Japan, the potential for business chances in this domain remains high (see the graph below). We will continue to capture growth



Source: Compiled by MIRAIT ONE Corporation based on data provided by the Ministry of Land, Infrastructure, Transport and Tourism.

opportunities by creating information and communication infrastructures that can withstand natural disasters.

Disaster Response Using Drone Technology

Leveraging its experience in infrastructure maintenance and disaster response using drones, the MIRAIT ONE Group launched, in October 2021, services for water pipeline bridge inspection offered by MiratecDrone. The services are designed to deal with the increasing number of water leakage and damage accidents resulting from the aging of water facilities. The services materialized following a demonstration test conducted in collaboration with the Sakai City Waterworks and Sewerage Bureau in February 2020. The parties have promoted the practical application of this technology after the test revealed that drones can accurately identify cracks on the pipe exterior surface, peeling paint, rust conditions, cracks in concrete on bridges and other anomalies.

In December 2021, the company signed the “Agreement on Emergency Disaster Response Activities Using Unmanned Aircraft (photography, etc.)” with the Ministry of Land, Infrastructure, Transport and Tourism.

Based on an agreement signed between the MLIT’s Omiya National Highway Office and seven companies including our company, drones will be mobilized immediately when an earthquake beyond intensity 6 lower strikes in the 23 Tokyo wards. Drones are used to assess damage on the assigned routes to aid road restoration and early recovery of damaged facilities. Their aim is to enable a swift response using drones in the event of an earthquake that hits the Tokyo metropolitan area directly.

Also, in March 2022, our company and MiratecDrone conducted a drone survey exercise with Tokyo’s Koto Ward to assess damage to civil engineering facilities in the ward in the event of a disaster. The exercise is based on the “Agreement on Cooperation for Assistance Using Unmanned Aircraft in Times of Disaster” signed with Koto Ward in July 2020. In the event of a large-scale disaster, our company, along with MiratecDrone, will immediately mobilize drones at the request of the ward to inspect roads, bridges and other civil engineering facilities in the ward to quickly assess the extent of damage.



Inspecting a water pipe bridge using drones



Exercise in action

Safety and Quality Improvement

Highlights: Establishment of Safety/Compliance Charter

Safety and Quality Management

The value creation of the MIRAIT ONE Group, which builds the infrastructure of society as its business domain, is founded on the basic premise of guaranteeing and improving safety and quality. In addition to implementing business processes that prioritize safety, the Group offers services that meet the expectations and trust of its customers.

First, with regard to safety initiatives, we operate occupational health and safety management systems in compliance with ISO 45001. As of March 31, 2022, all business locations of MIRAIT ONE are certified. We comply with laws and regulations as well as occupational safety and health requirements, reduce and eliminate occupational safety risks through risk assessment and activities to anticipate danger, and promote safety and security through educational exchanges in accordance with the Policy on Occupational Safety and Health, which explicitly names safety as the highest priority in operations. We continuously improve our performance by identifying all actions that can lead to accidents resulting in injury or death, serious traffic accidents, serious facility accidents and other seriously unsafe incidents as supervision check-points.

Also, with regard to quality initiatives, we have developed and operate a quality management system, certified under the ISO 9001, which is an important component of the integrated management system. Our Quality Policy, the foundation of our quality management system, comprises three pillars: “swift response to legal regulations and customer demands,” “raising customer satisfaction by enhancing the quality of products and services as well as construction (while realizing efficient production and services),” and “maintaining and improving QCD through quality risk reduction.” Specific processes, procedures, and decision criteria are defined in internal rules and regulations. In addition, we have clearly defined quality standards to be followed not only within our own company, but also in purchasing from our business partners. In the PDCA cycle for quality assurance and improvement, mobile terminals are used in checking and verifying the quality of the respective tasks. Also, the achievement status of targets set by each group company based on the nature of their business (number of facility accidents, number of problems reported after inspection, customer satisfaction evaluation score, etc.) is reviewed for reflection in the subsequent fiscal year and beyond.

With the aim of ensuring that these safety and quality initiatives result in sustainable growth and enhanced corporate value, the Group has set the non-financial targets of zero

Non-financial targets of the Fifth Medium-term Management Plan

Number of accidents resulting in injury or death/
number of serious facility accidents

Zero

accidents resulting in injury or death and zero serious facility accidents in its Medium-term Management Plan that begins in FY 2022.

■ Establishment of Charter on Safety and Compliance

In July 2022, the MIRAIT ONE Group established the “MIRAIT ONE Group: Charter on Safety and Compliance,” which reaffirms its priority on commitment to safety as the cornerstone of corporate management. With all employees working in the Group dedicated to ensuring safety and compliance based on this Charter, our goal is to create a corporate group that earns the trust of all stakeholders and contribute to realizing a sustainable society.

■ Striving Toward the Eradication of Accidents and Improvement of Safety Quality

Getting the basics right in our daily actions is essential to achieve the goal of eradicating accidents and improving safety awareness of our operations. For on-site workers to better understand safety, we have prepared materials such as operational safety handbooks, conduct safety trainings, as well as videos of accident scenes and visual presentations of relevant laws and regulations. With the aim of revitalizing safety communication with workers, senior managers including the President and CEO visit workplaces actively to raise the safety awareness of each worker.

■ Safety Convention Held Annually

We hold a Safety Convention annually to reconfirm safety awareness along with sharing knowledge on safety measures. In FY 2021, the first group-wide web conference was held in October in a decentralized format (attended by some 2,000 group employees) by engaging Group companies and subcontractors. The conference included presentations on safety measures by each Group company and lectures by outside instructors on ways to raise safety awareness even further.

■ Danger Simulation Training

We hold “danger simulation training” for our employees and employees of partner companies with VR equipment that can be used to experience simulated accidents. Our aim is to eradicate falling and slipping accidents which account for approximately 40% of all fatal accidents in the construction industry. The purpose of this program is to drive home the importance of basic movements and fall prevention equipment, and to enhance the safety awareness of participants through firsthand experience of a fall accident.

■ Ensuring Safety During Emergencies

Businesses are called on to prepare for large-scale natural disasters including major earthquakes, and extend assistance to restore critical social infrastructure such as information and telecommunication services. We hold periodic disaster response drills twice a year to learn the principles of actions to be taken in the event of a disaster, safety confirmation methods, methods of gathering disaster-related information. During the COVID-19 pandemic that began in 2020, we have taken



VR-based danger simulation training

steps to protect our employees and prevent the virus from spreading in the workplace. We also conducted training on the use of our safety confirmation system, which ensured the effectiveness of the system for flexible working styles that include telecommuting and remote work.

■ Sharing Safety Awareness

We encourage our engineers to obtain the “Authorization of workers for high elevation work safety (Access system)” or “Authorization of workers for high elevation work safety (Net-

	Number of new candidates for authorization of workers for high elevation work safety (No. of people)		
	FY 2019	FY 2020	FY 2021
Access system	113	81	104
Network system	22	30	32



Training to experience high elevation work

work system)” so that they can work safely and reliably in high places.

Meeting Customer Expectations for Safety and Reliability with Quality Improvement

The Group positions quality, along with safety, as one of the most important management challenges and a source of competitiveness. In the previous medium-term management plan through FY 2021, the focus was placed on “safety and quality improvement” as a key initiative to establish a brand that responds to customers’ needs for peace of mind and reliability. Also, the aforementioned “MIRAIT ONE Group: Charter on Safety and Compliance,” established in July 2022, reaffirms “quality assurance” as a material issue and emphasizes the commitment to “constantly incorporate new technologies and provide high-quality, superior deliverables to meet customer expectations.”

Improving Technical and On-site Capabilities

The MIRAIT ONE Group implements training and technical certifications to steadily improve its technical strengths that support service quality.

■ Strengthening Construction Management Capabilities

To strengthen the management capabilities of worksite supervisors*, responsible for promoting business at the worksite, “Worksite Supervisor Training” is carried out for newly appointed worksite supervisors and deputy worksite supervisors.

In recent years, worksite supervisors in charge of construction work are required to have a wide range of skills to deal with an increase in the number of construction projects and the diversification and growing complexity of construction projects. This training focuses on the basics of construction management, such as budgeting and cost control, and improving problem-solving skills through discussions and role-playing based on the “Worksite Supervisor Handbook,” a culmination of the Group’s experience and know-how, to gain a comprehensive understanding.

* One of the supervisory positions appointed by the Group to oversee individual works.

■ Training Specialized Technicians

The Engineer Training Subcommittee, aimed at developing specialized technicians, offers various training programs for employees of the Group and partner companies. Mobile skill training courses, which divide participants into four classes according to levels, promote the acquisition of basic knowledge, skills, and safe execution capabilities according to the skills and task of each individual. Since 2010, when the training began, a total of 1,620 people have participated in and improved their skills with these courses, which can be attended by trainees across the boundaries of business departments.

■ Received Bronze Medal and Medallion for Excellence in Information Network Cabling at the WorldSkills Competition

Our employees won a Bronze Medal and Medallion for Excellence in Information Network Cabling at the “59th National WorldSkills Competition (organizer: Japan Vocational Ability Development Association)” held in December 2021.

This is a technical skills competition for young technicians to compete for the highest skill level in Japan. In 2021, approximately 1,100 participants selected from 47 prefectures in Japan took part in 42 skills. Our employees competed in the “Information Network Cabling,” consisting of a competition to search information network failure, speed competition for metal and optical connections, and competition for Wi-Fi

setting and wiring installation in home and building settings, which must be completed in about eight hours over two days. We will continue to improve our technical capabilities through participation in competitions and other means to offer safe, reliable and high-quality services.



Our medal-winning employees

Co-creation of social value through collaboration with partners

Highlights: Launching of MIRAIT ONE Partners/Operation of Integrated Management System

Acceleration of business structure reform through value co-creation

■ MIRAIT ONE Partners

In July 2022, the MIRAIT ONE Group launched MIRAIT ONE Partners with some 400 core partners among approximately 2,200 partner companies. In addition to tackling the challenges of “MIRAI (future) domains” business in growth areas, we support the growth and transformation of our partners by leveraging “Mirai College,” a human resources development institution



MIRAIT ONE Partners Portal Site

that opened in July 2022. Also, we will work with our partners to promote safety management, work style reform at work sites and on-site value chain reform through DX for the co-creation of social value and enhancement of corporate value.

■ Fair Transactions and Partnership

The “MIRAIT ONE Group: Charter on Safety and Compliance,” established in July 2022, emphasizes, in “6. Fair Transactions and Partnership,” our commitment to comply with various laws and regulations on business transactions, conduct transactions in a fair and transparent manner, and maintain cooperative relationships with partner companies so that we can work together toward solving social issues.

*For details, visit our website (<https://www.mirait-one.com/info/000109.html>).

■ Reinforcement of Business Partnership in Different Regions

One of the Group’s strengths is its longstanding business partnerships in each region, where it has developed community-based businesses for over 70 years since its establishment. We decided to continue our commitment to build a relationship of trust with our regional business partners as a foundation for sustainable growth and corporate value enhancement. In July 2020, our group company Shikokutsuken Co., Ltd. endorsed the “Declaration of Partnership Building,” a framework designed to build mutually-beneficial relationships

and new collaborations across the supply chain. In November 2021, SOLCOM, a group company operating mainly in the Chugoku region, endorsed the declaration that is advocated by the Ministry of Economy, Trade and Industry, Small and Medium Enterprise Agency, and other organizations.



New Value Creation through Open Innovation

The MIRAIT ONE Group has focused on the implementation of advanced technologies in the telecommunications, ICT, and other fields in social infrastructure as a growth driver. The Group will continue its dedication to open innovation together with startup companies and others in and outside of Japan to contribute to value creation in leading-edge fields and the resolution of social issues.

■ Investment in Venture Capital Funds

The Group has actively launched initiatives for new value creation, for instance, through the generation of synergy with promising start-up companies. Their objective is to provide services in a timely manner by responding to changes in the market and customer needs necessitated by the evolution of new ICT technologies.

In June 2021, we signed an agreement on the “B Dash Fund 4 Investment Business Limited Partnership” by B Dash Ventures. The venture capital fund is characterized by a strong ecosystem for assisting venture businesses and active investment and support activities for promising start-ups in Japan and abroad. The objective of this investment is to strengthen relationships between MIRAIT ONE Group, B Dash Ventures and promising startups in which B Dash Ventures invest. It is also designed to accelerate the Group’s diverse engineering capabilities as well as the creation and expansion of new business and solutions that resolve social issues as the “pace of smart society” picks up with the expansion of 5G and DX.

In June 2022, the Group signed an investment agreement with Translink Capital, a U.S.-based investment firm in Silicon Valley, to invest in “TRANSLINK CAPITAL PARTNERS V, L.P.” Translink is a venture capital company investing in IT-related startups. The Group’s first investment in an overseas fund is expected to strengthen relationships with promising overseas start-up and contribute to the progress of the MIRAI (future) domains and Full-Value Model.

■ Investment in and Business Partnership Agreement with hapi-robot

In January 2022, MIRAIT Corporation agreed to invest in hapi-robot, the Japanese agent for the “temi” AI communication robot, and conclude a business partnership agreement with hapi-robot. In the past, MIRAIT has collaborated with hapi-robot through its Group company MIRAIT-X Corporation. “temi” is an autonomous running multi-purpose smart robot equipped with AI-based interactive communication. Its telepresence and remote robot control enable users to feel as if they have been transported instantaneously. Also, the robot can use non-coding basic sequence programming to provide information and explanations to customers, provide guidance, patrol facilities and perform mobile surveillance. The demand for the robot is expected to expand further as witnessed by its growing popularity in essential businesses including nursing care and health care, as well as retail stores and general enterprises, which have installed and verified the system. Based on our strong partnership with the company, we will present DX promotion using “temi” and respond to needs for a new smart social infrastructure to accelerate the development of the MIRAI (future) domains and the Full-Value Model.



“temi” to respond to new needs for a smart social infrastructure

Ensuring Supply Chain Sustainability with Commitment to ESG

As mentioned above, the MIRAIT ONE Group is dedicated to the co-creation and presentation of values with some 2,200 partner companies that form the supply chain. The Group’s commitment to sustainable growth and enhanced corporate value is built on its emphasis on initiatives for supply chain sustainability, such as taking ESG stances into consideration when evaluating and selecting business partners.

■ Operation of Integrated Management System

Since 2012, we have operated the “Integrated Management System (IMS),” which integrates four areas of management systems: quality management system (ISO9001), occupational health and safety management system (ISO45001), environmental management system (ISO14001), and information security management system (ISMS) (ISO/IEC27001). The “Management System Policy,” which forms the basis of the MS, calls for ESG awareness among internal and external stakeholders engaged in the Group’s business. The Policy in operation requires all companies and divisions to collaborate and execute PDCA management.

Building and Maintaining a Culture Where People Respect Diverse Human Resources and Learn from Each Other

Promotion of human resource development, workstyle reform, and health-oriented management

Highlights: Opening of “Mirai College”/Establishment of “Health-Oriented Management Declaration”

Emphasis on Human Resource Training to Transform the Future

The MIRAIT ONE Group, with a focus on Change 1: “People-centric management” in its Medium-term Management Plan, has expanded investment in human capital, the source of value creation.

In particular, structural business reform is essential to strengthen and expand the MIRAI (future) domains (urban and regional development, corporate DX and GX business, green power business, software business and global business) and the Full-Value Model, which are positioned as future growth areas in Change 2: “Acceleration of business growth.” We will build on the “strategic strengthening of internal human resources” and “active recruitment of external human resources” to create a human resource group capable of carrying out such reforms.

In July 2022, we opened “Mirai College,” an in-house university to strengthen diverse skills including “data insight utilization skills” and “DX skills.” Also, we encourage individual workers to “gain multiple skills,” involving “mobile,” “cloud,” “renewable energy,” “plan suggestion” and “project management” for the strategic strengthening of internal human resources. The Mirai College, consisting of real campuses (Chiba/Saitama/Hyogo) and digital campuses, offers some 110 courses* in the three fields of “Technical Faculty (technical

skills),” “Management Faculty (management skills),” and “Social Faculty (social skills).” The College started out with 10,000 students* including those from our group and cooperating partner companies. The College offers learning management and support through its Learning Management System (LMS) to ensure that each individual acquires the skills. The program also expands community functions through information exchange using business chat functions and video postings to promote interaction beyond the company boundary.

* At the time of opening in July 2022

To promote active recruitment of external human resources, we will expand mid-career hiring to strengthen growth areas such as the MIRAI (future) domains and the Full-Value Model. Other initiatives include the acquisition of human resources through M&A and other means, and a shift to a diverse group of human resources including non-Japanese engineers.

To raise the effectiveness of these investments in human capital, we have established a non-financial target in our Medium-term Management Plan to raise the percentage of personnel with multiple qualifications to 50% or higher by FY 2026.

Non-financial targets of the Fifth Medium-term Management Plan

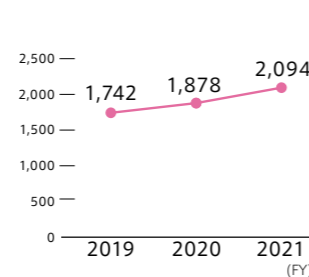
% of personnel with multiple qualifications (FY 2026)

50% or more

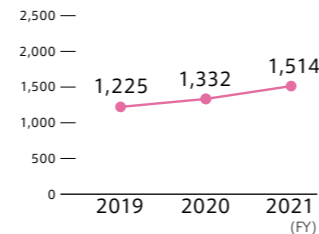
Changes in the number of employees with qualifications in the past three years (five former operating companies*) (Number)

Main qualifications	FY 2019	FY 2020	FY 2021
Installation Technician (Types A/DD)	677	714	761
First-Class Electrical Construction Managing Engineer	368	366	386
First-Class Construction Managing Engineer	359	349	354
First-Class Certified Architect	16	16	15
Qualified Managing Engineer	2,095	2,108	2,108
First-Type Electrical Worker	399	418	438
First-Class Technical Radio Operator for On-The-Ground Services	96	130	186
On-The-Ground I-Category Special Radio Operator	1,129	1,202	1,328
First-Class CATV Engineer	41	37	34
Cisco Certified Internetwork Expert (CCIE)	52	51	49
Information Technology Engineer	1,234	1,324	1,410
JUIDA Operation Skill	80	95	103

Changes in the number of qualifications for Electrical Workers (Type 1/Type 2)



Changes in the number of qualifications for Technical Radio Operators for On-The-Ground Services (Class 1) and On-The-Ground Special Radio Operator (Class 1)



* MIRAIT Corporation, MIRAIT Technologies Corporation, TTK Co., Ltd., SOLCOM Co., Ltd. and Shikokutsuken Co., Ltd.



Mirai College (1) e-learning lecture, (2) classroom lecture

Personnel Training System

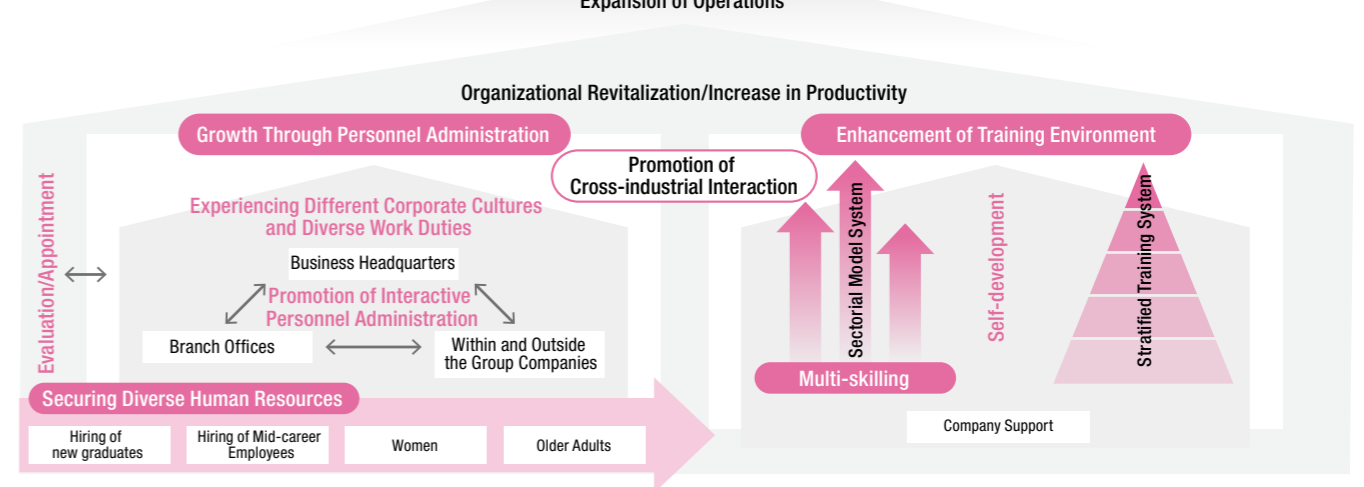
The personnel training system of the MIRAIT ONE Group, including those described above, comprises the “sectorial model system,” designed to enhance specialized professional capabilities for business operations, and “stratified training system,” aimed at promoting mastery of universal know-how required at each professional level. Together, the system supports the growth of each employee and systematically reinforces human capital that backs up future business growth.

From introductory training for workers who have just joined the company to training for senior managers, our program is designed to enable each employee to acquire the skills and knowledge required to fulfill the roles expected at the respective level, as well as skills and knowledge they need to learn in each career stage. In particular, we offer extensive education and training programs for new employees, which are designed to enable them to succeed in their careers regardless of whether they have a scientific or liberal arts background. Our interview program encourages employees to make concrete plans for their own goals and career development through discussions with their supervisors and to inspire them to take on the challenge of obtaining various certifications. In addition, our reward system based on the degree of difficulty is designed to meet the growth aspirations of individual employees.



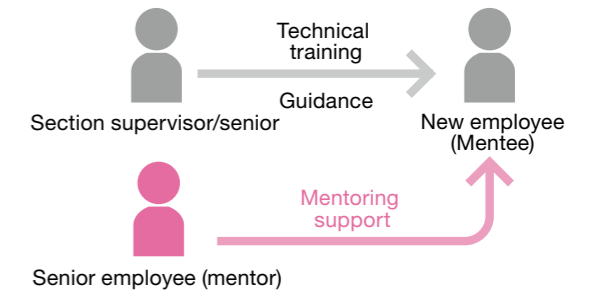
Training to experience high elevation work

Perspective of Human Capital Enhancement Scheme



Mentoring Program

We have a mentoring program in place for new employees. Under this program, a senior employee is appointed as the mentor for each new employee, aside from his or her supervisor at the assigned section, to provide guidance and counseling. The program is designed to encourage new employees (mentees) to grow spontaneously and autonomously through awareness and advice based on dialogue. The feedback on regular reporting and monthly interviews in this program support the growth of new employees as well as that of senior employees who serve as mentors.



“MIRAIT Mirai Juku” to Nurture Management Minds of the Next Generation

In July 2020, we established the “MIRAIT Mirai Juku” to systematically train the next generation of management executives. By examining specific solutions to the company’s management issues, workshop and discussion-based training programs will broaden participants’ perspectives on corporate management and enhance their ability to respond appropriately as managers. The discussions and examinations within and among training teams also help cultivate a mentality of assuming responsibility for the future management of MIRAIT ONE.

Training Programs at Overseas Operations

The MIRAIT ONE Group conducts various training programs for employees hired at their overseas locations. For instance, the Lantrovision Group assigns a full-time staff in charge of human resource development and training. The Group provides a wide range of programs from basic training on on-site cable design, construction, testing, etc. to practical training involving bidding, quoting, and contracts to raise employees' skills and motivation. In addition, the Group has taken the initiative in obtaining cable vendor certifications to strengthen quality control, enhance improve customer satisfaction and bolster business competitiveness.



Training of locally-hired employees at Lantrovision (S) Ltd. (Singapore)

Promotion of health-oriented management by top management

The MIRAIT ONE Group emphasizes the promotion of health-oriented management as one of the material issues, as shown by the positioning of health-oriented management as a fundamental element in Change 1: "People-centric management" in its Medium-term Management Plan. In July 2022, the

System for Promoting Health-Oriented Management



Group established the "MIRAIT ONE Group: Health-Oriented Management Declaration" to further enhance the effectiveness of these efforts. We will pursue health-oriented management under the leadership of President and CEO based on the structure shown in the diagram below.

Support of Health Management

The Group performs regular health check-ups for all employees, as well as comprehensive medical examinations for those who have reached a certain age and specified health guidance to support employees' health management. Our health support programs also include recreation facilities in several locations in Japan that employees can use to refresh themselves as well as walking and other events organized constantly by the Health Insurance Association.

Mental Health

The "stress check system," mandated by the Ministry of Health, Labor and Welfare, aims at primary prevention of mental health issues by helping employees become aware of their own stress and improving their work environment. Even before the introduction of the mandatory mental health check system, the MIRAIT ONE Group has introduced a mental health follow-up system (consultation service, etc.). Based on group analysis following the stress check, mental health training is conducted for each department to improve the worksite environment, thereby preventing mental health issues before they occur.

Supporting the Return of Employees on Sick Leave due to Mental Health Issues

We provide full support to employees on sick leave or injury leave due to mental health issues, including support by our mental health promotion staff, from the start of the leave to follow-up after the employee returns to work. The employee on leave can take advantage of a "rework program" that utilizes rework facilities. When the employee expresses his/her intention to return to work, a reinstatement decision will be made by the Return to Work Review Committee based on the diagnosis made by the attending physician in cooperation with the industrial physician and the company. Shorter hours, limited overtime, and other employment considerations are accorded to employees returning to work.

Development of a Comfortable Working Environment

The MIRAIT ONE Group has in place a compensation system that outperforms labor-related laws and regulations, beyond compliance with the Labor Standards Law and other labor-related laws and regulations, to enhance employees' job satisfaction even further. In addition, in respect of the idea of equal pay for equal work, we ensure that non-regular employees are treated fairly and equitably with regular employees. For instance, non-regular employees are compensated at the same extra rate as regular employees for special work and overtime allowances, etc., and granted special leave and offered opportunities for promotion to regular employees.

System that outperforms labor-related laws and regulations

- Regular working hours (per week, per day)
- Break time and days off
- Number of days of annual paid leave granted by the year of employment
- Extra pay for overtime, holidays, and late nights, etc.

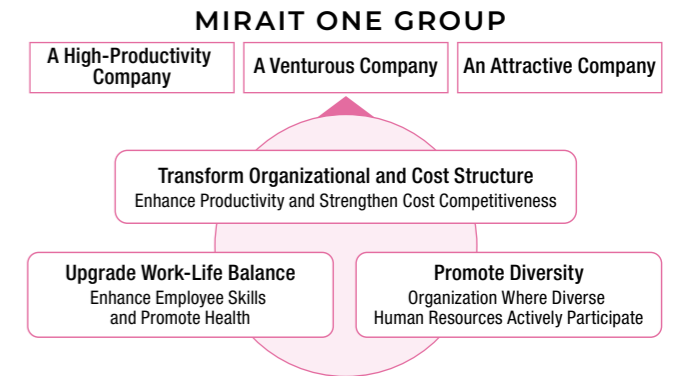
Promotion of workstyle reform

The MIRAIT ONE Group established the "Workstyle Reform Declaration" to secure sustainable growth while responding to recent changes in the labor market and business environment. The Declaration is designed to promote consistent and integrated workstyle reform, consisting of three pillars: (1) realization of diverse and alternative workstyles; (2) optimization of overtime work and encouraging employees to take their annual leave; and (3) empowerment of diverse employees through flexible workstyles.

Realization of Diverse and Alternative Workstyles

Following the COVID-19 pandemic that began in 2020, we have switched from in-person meetings to the remote format

Concept of Workstyle Reforms



for major meetings and events including those involving the Board of Directors and Executive Committee. The use of various ICT tools and the promotion of workstyles unrestricted by location have helped us realize diverse workstyles. We are also working to develop an environment for higher productivity by streaming business efficiency with the use of Robotic Process Automation (RPA) and other means.

Optimization of Overtime Work and Encouraging Employees to Take their Annual Leave

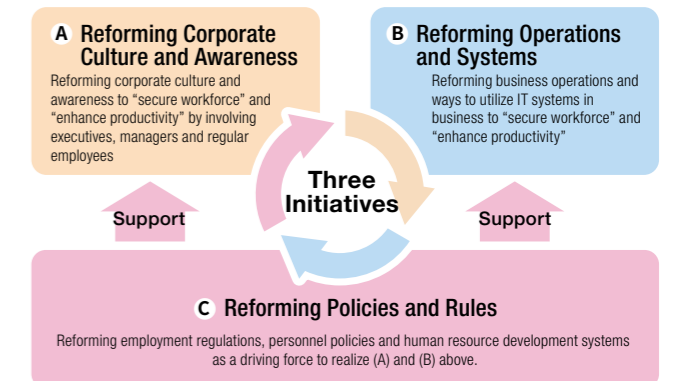
Our goal is to create a worksite environment where employees find it easy to balance work and family life and promote their well-being. To this end, we have introduced no-overtime days, encourage employees to leave work on time, and support employees taking their annual paid leave before or after the Golden Week holidays, New Year holidays, summer vacation, etc.

We are committed to reduce total working hours by raising operational efficiency through KAIZEN (improvement) activities and promotion of ICT utilization at each workplace, and using a PC log system to monitor/record the appropriate working hours.

Empowerment of Diverse Employees through Flexible Workstyles

We have created an environment in which all of our diverse human resources can efficiently succeed while achieving work-life balance. This is accomplished through the promotion of flexitime,

Three Initiatives to Promote Workstyle Reforms



partially flexible shifts, variable working hours and remote work (working from home, on business trips, or at satellite offices).

In July 2021, MIRAIT Holdings Corporation, MIRAIT Corporation and MIRAIT Technologies Corporation (companies prior to merger) began paying work-at-home employees a subsidy corresponding to the number of telecommuting days at the rate of 200 yen/day to help them cut expenses.

Awarded Three Stars in the 5th Nikkei “Smart Work Management Survey”

In November 2021, MIRAIT Holdings Corporation was awarded three stars in the 5th Nikkei “Smart Work Management Survey.”



The survey, conducted by Nikkei Inc. and Nikkei Research Inc. since 2017, targets listed companies and leading non-listed companies nationwide. The survey defines “smart work management” as efforts to maximize organizational performance through three elements: “realization of diverse and

flexible workstyles,” “system for new business creation,” and “ability for market development.” Companies are rated out of five stars.

Selected by the Ministry of Internal Affairs and Communications as one of the “Top 100 Telework Pioneers” for FY 2021

In November 2021, MIRAIT Corporation was selected as one of the “Top 100 Telework Pioneers” for FY 2021. The contest is designed to promote the use of teleworking by selecting and announcing the names of companies and organizations that have introduced and utilized telework and are recognized as having a satisfactory track record of using teleworking.

We have launched telecommuting trials since FY 2019 before the COVID-19 pandemic. In doing so, we have worked to further improve both safety and productivity by holding various meetings and events online, digitizing stamping operations, using webcams to remotely monitor construction sites and provide remote work instructions.

We will continue to promote teleworking as one of the diverse and flexible ways to work and promote work style reforms.

all its corporate activities in collaboration with various stakeholders. Based on the concept described above, the Group has emphasized “Respect for Human Rights and Promotion of Diversity and Inclusion” as one of its material issues. Based on this policy, all employees of the Group will act with an awareness of respect for human rights as the foundation of all its business activities, as we aim to build a company that is widely trusted by all members of society and contributes to the realization of a sustainable society.

■ Promotion system

To ensure that all officers and employees understand and respect human rights issues involving all corporate activities, the “Human Rights and D&I Committee” has been established under the ESG Management Promotion Committee, chaired by the President and CEO (see P.25). The committee reports on risk situations related to human rights and diversity, discusses issues and measures to be addressed, and works to strengthen human rights management and promote diversity and inclusion measures.

■ Examples of actions taken

The Group takes the protection of workers’ rights seriously by never using child labor or forced labor and paying wages above the minimum wage level mandated by law. Even in extremely adverse business situations, the Group has made every effort to maintain the employment of its employees and has never dismissed any employee by nomination or liquidation.

In addition, we have conducted stratified training and compliance promotion activities to raise awareness of human rights. Three types of hotlines, the “Compliance Meyasubako,” “Nandemo Sodanshitsu (consultation window for anything),” and “External Reporting Line, “ are on standby for problem-solving while giving due consideration to whistleblower protection.

Labor-Management Relations

The MIRAIT ONE Group strives to build stable labor-management relations by establishing opportunities for regular labor-management consultations in order to develop the company and maintain and improve the working conditions of its employees based on mutual trust between labor and management. In order to conduct proactive business operations and ensure the sound development of the company, we regularly hold liaison meetings as well as meetings of the Working Hours Optimization Committee for labor and management to exchange opinions on business plans and other important issues.

Continue to be an “attractive company group” with diverse employees working actively.

The MIRAIT ONE Group respects individual personality and seeks to build workplaces where its employees perform to their full potentials, regardless of age, gender, educational

background, nationality, disability, sexual orientation, gender identity, etc.

We have established the Diversity & Inclusion Office, a specialized organization to promote diversity and inclusion, in the General Affairs and Human Resources Division to leverage diverse perspectives and values in corporate management. Our focus is on building a workplace environment and developing management-level personnel to maximize the characteristics and potential of each individual employee.

Diversity & Inclusion, one of the Group’s material issues, is positioned as a key initiative. Our Mission, which defines our approach to individual stakeholders, declares our commitment to “continue to be an attractive corporate group where diverse employees work with passion and vitality.”

In addition, as part of Change 1: “People-centric management” in our Medium-term Management Plan, we are dedicated to developing a pool of diverse human resources including non-Japanese engineers.

To further advance these series of diversity and inclusion initiatives, we are currently formulating “Diversity & Inclusion Declaration,” which positively incorporates the opinions and perspectives of our employees. The announcement of the Declaration is scheduled in or after December 2022.

Empowering Female Employees

We devise action plans for the purpose of enabling female employees to reach their full potential and pursue their careers in a wide range of arenas. In addition to analyzing issues at each Group company, specific numerical targets are set for the ratio of women in new graduate hires and in managerial positions and to expand occupational fields for women. PDCA cycles are employed to achieve these targets. In addition, we actively promote work-life balance by developing a working environment that enables employees to balance childcare and nursing care responsibilities with professional career.

General Employers Action Plan based on The Act on Promotion of Women’s Participation and Advancement in the Workplace

(Plan period: July 1, 2022 - March 31, 2026)		
(1) Ratio of women in new graduate hires	(2) Number of women in managerial positions	(3) Rate of annual leave taken
Target: 25%	Increase by: 20% from the current level	Target: 70%

* For details, visit our website (https://www.mirait.co.jp/csr/data/plan_womens.pdf).

■ Supporting employees to balance childcare and nursing care responsibilities with professional career

We have instituted programs that employees can use during important life events such as childbirth, childcare, and nursing care beyond the standards stipulated by law, so that employees can continue working with a sense of security for a long time. They include the parental leave, which is available until

Respect for human rights and promotion of diversity and inclusion

Highlights: Establishment of Basic Policy on Human Rights/Establishment of “Diversity & Inclusion Declaration”

Respect for Human Rights

The MIRAIT ONE Group has launched group-wide efforts to earn the utmost satisfaction and trust of its customers based on its primary mission of creating a better environment where people and society can coexist in harmony. The Group believes that its sustainable growth and corporate value enhancement in the future can only be achieved through understanding the human rights of all stakeholders involved in the corporate ac-

tivities and by fulfilling its group-wide responsibility to respect human rights.

■ MIRAIT ONE Group Establishes Basic Policy on Human Rights

In July 2022, the Group established the “MIRAIT ONE Group: Basic Policy on Human Rights” to send out a strong message of its commitment on the respect for human rights and clearly identify its awareness within the Group. The Group is dedicated to promoting actions on the respect for human rights in

MIRAIT ONE Group: Articles of the Basic Policy on Human Rights

1. Basic approach on human rights
2. Compliance with laws and regulations and respect for human rights codes
3. Scope of application
4. Execution of human rights due diligence
5. Remedial and corrective measures
6. Education and awareness activities
7. Dialogue and consultation with stakeholders
8. Promotion system

Support system for balancing career with childcare and nursing care (MIRAIT ONE Corporation)

Related items	Program for balancing family and career	Legal requirements
Maternity leave	Paid for 6 weeks before and after childbirth, unpaid for the portion exceeding 6 weeks after childbirth	Unpaid
Leave for childbirth of spouse	2 days (paid)	-
Leave by accumulating expired annual leave	Nursing care for family members, maternity checkups, infertility treatment, childcare associated with the childbirth by a spouse	-
Childcare leave	Under 3 years old (until turning 3 years old)	Under 1 year old (within 1 year up to 14 months old with Dad and Mom Parental Leave Plus)
Shorter working hours for childcare	Up to 3rd grade	Under 3 years old
Child nursing leave	Up to 4th grade (Paid leave can be taken by the hour.)	Until the child enters elementary school (unpaid)
Restrictions on overtime and late-night work	Up to 3rd grade	Until the child enters elementary school
Nursing care leave (short-term)	Paid leave taken by the hour	Unpaid
Nursing care leave (long-term)	Up to 1 year per person	Up to 93 days per person (may be divided)

the child reaches three years of age, and shorter working hour arrangement that can be used until the child completes the third year of elementary school.

As of the end of FY 2021, the childcare leave acquisition rate among female employees is 100% with the leave acquisition rate for childcare and other reasons among male employees at over 80.2%. In FY 2022, we have promoted efforts to maintain the childcare leave acquisition rate and raise it even further. Also, we implement support measure to ensure employees on childcare leave can return to work smoothly and play an active role in the company. The measures include providing information on developments in the company during their absence and conducting interviews prior to their return.

General Employers Action Plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children

(Plan period: July 1, 2022 - March 31, 2025)

- ① Establish an environment that facilitates the use of childcare leave for both men and women
- ② Create a worker-friendly environment

* For details, visit our website (https://www.mirait.co.jp/csr/data/plan_generations.pdf).

Support for Elderly Employees

In response to the declining birthrate and aging population in Japan, we have created an environment where willing senior workers can continue to play active roles. This was done by establishing a reemployment system after retirement to support

Status of reemployment after retirement (as of the end of FY 2021)	
Number of employees subject to mandatory retirement	112
Number of rehired employees	84
Reemployment rate	75%

*Average of five former operating companies in FY 2021

the active participation of senior human resources who hold qualifications in advanced technologies required for the telecommunications construction industry.

We also hold life plan seminars for employees who have reached a certain age and support them with work designing and financial planning after employment extension.

Promoting the Active Role of Local Personnel in Foreign Countries

The MIRAIT ONE Group currently runs overseas bases in 13 countries and regions (as of March 31, 2022), mainly in Asia-Pacific region where locally hired personnel plays important roles. Through mutual support such as dispatch of personnel between overseas bases, we seek to enhance overall technical skills of local employees so that each employee can demonstrate his or her full capabilities.

MIRAIT PHILIPPINES INC. conducts activities to deepen its connection and build trust with local communities such as hosting a Christmas party with children who have disabilities.



Christmas party with children who have disabilities (MIRAIT PHILIPPINES INC.)

Corporate Citizenship Activities

Contributing to the creation of more accessible and vibrant communities

Highlights: Corporate citizenship spending: 36 million yen (FY 2021)

Helping local communities

Ever since its establishment, the MIRAIT ONE Group has achieved sustainable growth through its community-based infrastructure development business. The Group recognizes that its contribution as a member of the local community to the creation of more accessible and vibrant communities will lead to the sustainable development of society and the enhancement of its medium- to long-term corporate value.

Supporting Problem-solving in Local Communities and Society as a Whole

Support for Disaster-Affected Areas in Tohoku

As part of our support for the areas affected by the Great East Japan Earthquake, we continued to participate in social service activities (earthquake disaster volunteer activities) organized by the Miyagi Pref. Dengyo Association since 2011. Our activities to date include the installation of flowerbeds near temporary housing, removal of debris from farmland, and tree planting for the regeneration of coastal tide protection forests. In FY 2021, 67 employees participated in activities such as weeding along the beach to promote the growth of black pine saplings planted for the regeneration of coastal forests.

Shareholder Benefit Option to Donate to the “Special Olympics Nippon.”

In support of the mission of the Special Olympics Nippon*, the MIRAIT ONE Group included in FY 2018 donations to the organization in its shareholder benefit option. In FY 2021, the fifth round, we donated a total of 696,000 yen with the support of 372 shareholders. We will keep on contributing to the creation of a society where diverse people can prosper together.

* An international sports organization that organizes a variety of sports training and competitions for people with intellectual disabilities to demonstrate their achievements.

Nature Conservation and Biodiversity Preservation Initiatives

As part of its community contribution activities, the MIRAIT ONE Group supports “rice farming” in Tokamachi City, Niigata Prefecture, which is affected by the declining birthrate and aging population.

MURAYAMA CONSTRUCTION CO, LTD., a partner company of MIRAIT ONE Group, is engaged in a rice farming project in Tokamachi City, Niigata Prefecture that is affected by the growth in the area of abandoned farmland. The project was designed to draw attention to this issue, promote the preservation of the ecosystem and satoyama landscape and encourage a shift to eco-friendly agriculture. In a show of support, employees of our Group have helped out with some of the farm work as volunteers.

Communication with Local Communities

Joining Festivals and Clean-up Activities

Across Japan, traditional festivals around Japan are becoming increasingly difficult to sustain as social structures change. The MIRAIT ONE Group companies encourage employees to join local festivals, sometimes as bearers of mikoshi shrines, and engage in local clean-up activities.

Participation in Local Events

The MIRAIT ONE Group has participated in the Toyosu Festa held by Koto Ward, Tokyo, every year since our head office moved to Toyosu in 2010. In FY 2021, about 20 volunteers from Group companies participated in the event, exhibiting a handmade air gun game and a ring throw booth.

Also, Shikokutsuken Co., Ltd. took part in the “Eco-Awareness Mountain Climbing (Autumn)” organized in November 2021 by the Nature Conservation Division of the Ehime Prefectural Citizens Environment Department. Six employees participated in the volunteer climbing to Mt. Ishizuchi, working to maintain the public toilet rest area and clean the mountain trails.



Toyosu Festa



Eco-Awareness Mountain Climbing

Humanitarian Aid to Ukraine

The MIRAIT ONE Group is strengthening its global business as one of the growth areas of the MIRAI (future) domains. The Group is set to expand its initiatives for overseas stakeholders in anticipation of global business expansion in the future. In March 2022, the Group donated 10 million yen to Japan for UNHCR as humanitarian aid to those affected in Ukraine and surrounding areas. Our employees also raised funds and donated 1,803,761 yen to the same organization. The donations will be directed through Japan for UNHCR for refugee assistance activities launched by UNHCR (The Office of the United Nations High Commissioner for Refugees) in Ukraine and surrounding countries.

Messages from Outside Directors

I will adequately fulfil the role of an outside director for the increase of the company value.

In July 2022, the Group merged MIRAIT Holdings and its subsidiaries MIRAIT Corporation and MIRAIT Technologies, and took a new step as MIRAIT ONE Corporation. The new corporation, MIRAIT ONE, is an operating and holding company as opposed the former corporation being pure holding company. The Group acquired Seibu Construction Co., Ltd. in March 2022. And, in the mid-term management plan set forth in May, the Group declared policies of going “Beyond a Telecommunications Construction Company” and the acceleration of the growth strategy centering around the MIRAI (future) domains. With these actions, the Group business is expected to expand and diversify than ever, and MIRAIT ONE Corporation, being the hub of the Group, bears the important management responsibility of organizing and enhancing governance to make it adequate for these business strategies. With such recognition, we made a number of discussions in meetings of the Board of Directors and in *Deliberation Forum* held for free discussion before board meetings, leading to our decisions to change to a Company with Audit and Supervisory Committee and to enhance the internal audit department with the establishment of the new corporation, which I think is good for the governance of the corporation as well for the management of the Group.

In parallel, we discussed further functional improvement of the Board of Directors in the Nomination and Compensation Committee that I chair. As the result, we added one outside director not being a member of Audit and Supervisory Committee, so that we now have seven outside directors, four not being members of Audit and Supervisory Committee and three being members of Audit and Supervisory Committee. The outside directors cover diverse domains with four members having experience in company management, one attorney, one accountant,

Outside Director, Chair of Nomination and Compensation Committee
BABA Chiharu



and one university professor, and three of them being female. I think these members constitute an ideal team to provide diversity in management perspectives as “outside eyes”. With this enhancement of outside directors, we hold regular discussion meetings of outside directors to share concerns, and to make Board of Directors pre-explanatory meetings not just meetings for the explanation of the agenda but meetings for discussion between external directors and relevant departments. As the result, discussion in meetings of Board of Directors has become deeper, and they often continue well after the scheduled closing time with active remarks by outside directors, indicating a steady effect of enhancing outside directors.

As for future prospects, technology innovation will continue in communication and information fields, global and economic trends are hard to predict, and new social interests in corporate activities such as SDGs are expected to become higher. With these circumstances, the management environment of the Group is expected to remain severe. In such circumstances, it is very important to continue the effort of improving the effectiveness of the governing structure that we have established and enhanced at the timing of the merger and to take necessary measures as necessary and appropriately, in order to adequately fulfil our social responsibilities and to raise the company value. With this perspective, I will continue to play the role of an outside director with earnest suggestions and supervision of management.

I will contribute to the realization of the Purpose from the standpoint of an accountant.

The Group, which took a new step as MIRAIT ONE Group, reviewed the Purpose and Mission to clarify our vision. Also, with the merger of Seibu Construction Co., Ltd., I am impressed by the determination of the Group to drive one of the key initiatives, *contributing to a resilient and sustainable future for the regions/companies*.

The job of a certified public accountant is to sense a small strangeness and point out the wrong point with evidence. So, as an outside Audit and Supervisory Committee Member, I will take this stance of accountant to contribute to the Purpose of the company even if only a little.

Except my days in university and several years of business in Tokyo, I have been living in my home town, Takamatsu City of Kagawa, conducting jobs as a certified public accountant and tax accountant as well as various social activities. In an interview for a feature article of *Fujin Gaho*, a magazine for women, I was asked why I decided to return to a regional city such as Takamatsu. My answer was that jobs of accountant including auditing and accounting can be conducted wherever I live because they are based on global standards, and I hated commuting by crowded trains. Actually, living in a regional small town has a lot of advantages such as only 10 minutes or so for commuting, no waiting to enroll a child to a nursery school, adequate public institutions, and accessibility to nature. With the spread of remote work, it looks like many people are considering moving to rural areas. Kamiyama-cho of Tokushima Prefecture is famous for having been inviting leading companies with one of the best network access in the nation. According to Mr. Shinya Ominami, President of an incorporated non-profit organization,

Outside Director, Audit and Supervisory Committee Member
KATSUMARU Chiaki
(ISHIKAWA Chiaki)



Green Valley, also the key person of this activity, says that what made this activity successful was *a series of small successful experiences*. I have been engaging with auditing of local governments from 2002. There are many common issues among local governments, and they put importance in results. Therefore, I think that *urban and regional development* of the Group can have great success by accomplishing one successful case and arranging it for different regions.

Through auditing of local governments, which conduct the disposal of general waste and operate water and sewerage systems, I encountered many occasions that made me think in deep about the environment. Society seems to be greatly changing the view of the environment from *environment as an ethical matter* to *environment as something that should be managed*. Disclosure of environment accounting and non-financial information has been made from before, but the Group has now added *greenhouse gas emissions* as a new KPI of the directors compensation system. Also, the Ito Review for Human Capital Management 2.0 was issued, but *people-centric management* of the Group was issued earlier than that conveying the similar concepts. Moving forward, I think that the effectiveness of the new policies must be verified by the verification of non-financial information, due diligence in personnel affairs, and so forth. I will make proposals, watching carefully how the company will behave on these matters.

Board members (as of July 1, 2022) (No. of Board of Directors meetings attended for FY 2021)



Representative Director, President and CEO

NAKAYAMA Toshiki

Shares owned: 14,513
No. of Board of Directors meetings attended 20/20 (100%)



Representative Director and Senior Managing Executive Officer

TOTAKE Yasushi

Shares owned: 6,609
No. of Board of Directors meetings attended 20/20 (100%)



Director and Senior Managing Executive Officer

TAKAHASHI Masayuki

Shares owned: 10,885
No. of Board of Directors meetings attended - (Newly appointed)



Director and Senior Managing Executive Officer

MIYAZAKI Tatsumi

Shares owned: 4,721
No. of Board of Directors meetings attended - (Newly appointed)



Director and Managing Executive Officer

TSUKAMOTO Masakazu

Shares owned: 5,006
No. of Board of Directors meetings attended 20/20 (100%)



Director and Managing Executive Officer

TAKAYA Yoichiro

Shares owned: 1,740
No. of Board of Directors meetings attended - (Newly appointed)



Director and Managing Executive Officer

WAKIMOTO Hiroshi

Shares owned: 4,896
No. of Board of Directors meetings attended - (Newly appointed)



Director

IGARASHI Katsuhiko

Shares owned: 14,819
No. of Board of Directors meetings attended 20/20 (100%)



Director

OHASHI Hiroki

Shares owned: 6,388
No. of Board of Directors meetings attended - (Newly appointed)



Director

TAKAGI Yasuhiro

Shares owned: 6,281
No. of Board of Directors meetings attended - (Newly appointed)



Outside Director
BABA Chiharu
 Shares owned: 0
 No. of Board of Directors meetings attended 20/20 (100%)



Outside Director
YAMAMOTO Mayumi
 Shares owned: 0
 No. of Board of Directors meetings attended 20/20 (100%)



Outside Director
KAWARATANI Shinichi
 Shares owned: 0
 No. of Board of Directors meetings attended 16/16 (100%)



Outside Director
TSUKASAKI Yuko
 Shares owned: 0
 No. of Board of Directors meetings attended - (Newly appointed)



Director, Audit and Supervisory Committee Member (Full time)
YAMAMOTO Yasuhiro
 Shares owned: 9,579
 No. of Board of Directors meetings attended 20/20 (100%)



Director, Audit and Supervisory Committee Member (Full time)
AOYAMA Koji
 Shares owned: 7,255
 No. of Board of Directors meetings attended 20/20 (100%)



Outside Director, Audit and Supervisory Committee Member
SEKI Hiroshi
 Shares owned: 0
 No. of Board of Directors meetings attended 20/20 (100%)



Outside Director, Audit and Supervisory Committee Member
KATSUMARU Chiaki
 (ISHIKAWA Chiaki)
 Shares owned: 300
 No. of Board of Directors meetings attended 20/20 (100%)



Outside Director, Audit and Supervisory Committee Member
SUEMORI Shigeru
 Shares owned: 0
 No. of Board of Directors meetings attended - (Newly appointed)

Enhancing corporate governance

Basic approach

We, at the MIRAIT ONE Corporation, recognize the importance of management as a socially-responsible company and have put in place organizational structures and systems to ensure transparency and fairness in decision-making. Building relationships founded in trust with all of our stakeholders including shareholders is positioned as the most important aspect of management.

We consider the realization of effective corporate governance is indispensable for building trust relationship with stakeholders. Therefore, we

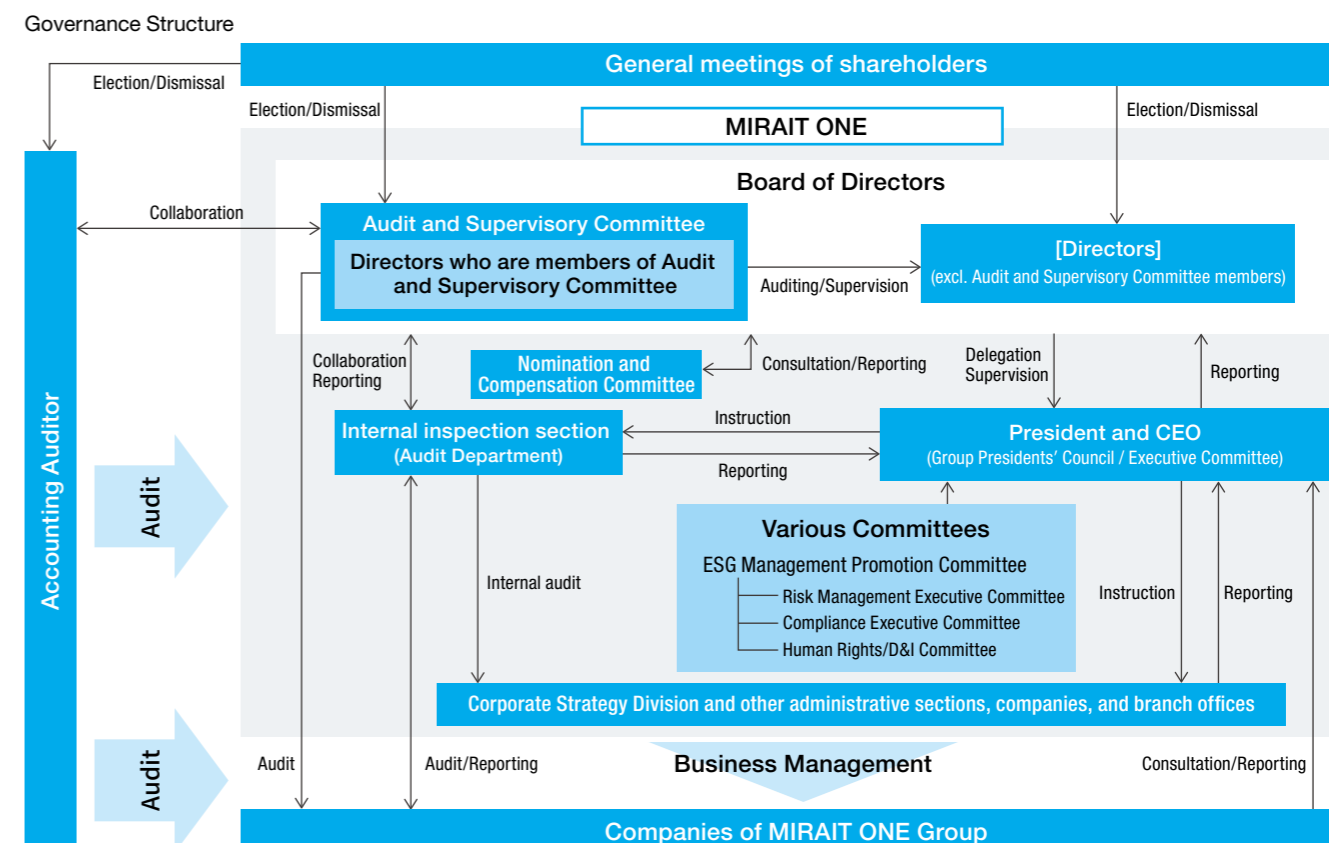
- Protect shareholder rights and equality among shareholders,
- Collaborate with stakeholders other than shareholders in appropriate ways,
- Disclose information in appropriate ways and secure transparency;
- Deliver on responsibilities, especially that of the board of directors, and
- Engage with shareholders

to improve the effectiveness of corporate governance.

Governance Structure

We are a company with an Audit and Supervisory Committee, overseen by a board of directors, an audit and supervisory committee, and accounting auditors.

We have set up a system for reciprocal cooperation where the Audit and Supervisory Committee together with an internal audit section and accounting auditors each perform independent inspections.



dent inspections.

Also, we are working to improve the corporate value by strengthening the governance and the internal audit structure based on the policy of three-lines of defense, strengthening corporate governance through tight liaison of the Audit and Supervisory Committee and the internal audit section, improving healthiness and transparency of management, and making quick decisions.

Policy and Procedures for the Nomination of Candidates for the Board of Directors

In the nomination process of candidates for the board of directors, the MIRAIT One Corporation selects a wide variety of candidates from both inside and outside of the company, consults with the Nomination and Compensation Committee chaired by an independent outside director, and determines the candidates who have excellent personalities, superior insights and high managerial capabilities, at the board of directors meetings based on the replies from the Committee.

* The rationale for selection of each director is outlined in the notice of general meeting of shareholders.

Effective use of outside directors

For outside directors, we appoint individuals who have abundant experience and knowledge across different fields and can carry out their roles and duties with a specialized and objective viewpoint by providing guidance and managerial supervision from the perspective of enhancing the medium- to long-term corporate value of the company. For the outside directors who are members of Audit and Supervisory Committee, we appoint those who

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have abundant experience and knowledge across different fields, and can with independent and objective views properly monitor the board of directors' managerial decisions, execution of duties, and their observance of laws and ordinances, enhancing transparency of the board and serving greater corporate value.

Outside directors attend meetings including Board of Directors meetings to understand the management issues of

the Group.

In addition, they offer their opinions as necessary from their respective professional and objective viewpoints, and strive to ensure the transparency and efficiency of management by exchanging opinions with other directors.

* The criteria for determining the independence of outside directors of the Company and the status of their activities are provided in the "Corporate governance report" and other documents.

Overview of Established Corporate Bodies

Name (No. of meetings held in FY 2021)	Purpose/Authority	Representative/Chair	Members
Board of Directors (20)	Body to determine fundamental management policy for the MIRAIT Group in accordance with laws and regulations as well as the Articles of Incorporation	President and CEO NAKAYAMA Toshiki	Directors who are not members of Audit and Supervisory Committee TOTAKE Yasushi, TAKAHASHI Masayuki, MIYAZAKI Tatsumi, TSUKAMOTO Masakazu, TAKAYA Yoichiro, WAKIMOTO Hiroshi, IGARASHI Katsuhiko, OHASHI Hiroki, TAKAGI Yasuhiro, BABA Chiharu, YAMAMOTO Mayumi, KAWARATANI Shinichi, TSUKASAKI Yuko Directors who are members of Audit and Supervisory Committee YAMAMOTO Yasuhiro, AOYAMA Koji, SEKI Hiroshi, KATSUMARU Chiaki (ISHIKAWA Chiaki), SUEMORI Shigeru
Nomination and Compensation Committee (7)	Body established as an advisory committee for the board of directors for the purpose of heightening the objectivity in matters related to the nomination and compensation of directors	Director (Outside) BABA Chiharu	Director YAMAMOTO Mayumi, KAWARATANI Shinichi, TSUKASAKI Yuko, NAKAYAMA Toshiki
Audit and Supervisory Committee * Changed in July 2022	Body to approve, discuss, and report important auditing matters	Director, Audit and Supervisory Committee Member YAMAMOTO Yasuhiro (full time)	Director, Audit and Supervisory Committee Member AOYAMA Koji (full time), SEKI Hiroshi, KATSUMARU Chiaki (ISHIKAWA Chiaki), SUEMORI Shigeru
Group Presidents' Council (21)	Body to receive reports and deliberate on vital policies about important matters related to management policies (mainly concerning business)	President and CEO NAKAYAMA Toshiki	Company Presidents, Chiefs of company planning headquarters, Presidents of major group companies, Chiefs of planning headquarters of major group companies, Representative and Deputy Representative of Frontier Business Department, 1st Head of staff organizations, Director and Audit and Supervisory Committee Member (full time)
Executive Committee (25)	Body to receive reports and deliberate on vital policies about important matters related to management policies	President and CEO NAKAYAMA Toshiki	Company Presidents, Presidents of major group companies, Representative and Deputy Representative of Frontier Business Department, 1st Head of staff organizations, Director and Audit and Supervisory Committee Member (full time)
ESG Management Promotion Committee (6) * Established in September 2021	Body to formulate basic policies and strategies related to the promotion of ESG-oriented management, as well as set key issues and implement various environmental initiatives in order to strengthen our response to the SDGs and ESG and enhance corporate value for sustainable growth	President and CEO NAKAYAMA Toshiki	Company Presidents, Presidents of major group companies, Representative and Deputy Representative of Frontier Business Department, 1st Head of staff organizations, Director and Audit and Supervisory Committee Member (full time)

* Directors BABA Chiharu, YAMAMOTO Mayumi, KAWARATANI Shinichi, TSUKASAKI Yuko, SEKI Hiroshi, KATSUMARU Chiaki (ISHIKAWA Chiaki), SUEMORI Shigeru are outside directors.

Status of Accounting Auditor

Name of the audit corporation	Continuous auditing period	Certified public accountants who performed audit operations	Composition of assistants concerning accounting audit operations
KPMG AZSA LLC	8 years	Designated partner, engagement partner, certified public accountant NAGASAKI Yasuyuki Designated partner, engagement partner, certified public accountant KOBAYASHI Keiji Designated partner, engagement partner, certified public accountant NAKAMURA Kohei	Certified public accountants: 6 people Those who passed CPA exam, etc.: 7 people Others: 14 people

Skills Matrix for Directors

		Corporate Management/ Business Strategies	Sales/Marketing	Construction/ Operation of Communication Facilities, etc.	Technology/ Innovation/DX	Global business	New Business Development	Personnel/Labor/ HR Development	Financial Accounting/ Finance	Legal/Risk Management/ Compliance/ Governance	Public Policies / Academic Research
Directors who are not members of Audit and Supervisory Committee	NAKAYAMA Toshiki	Internal	●			●	●				
	TOTAKE Yasushi	Internal	●		●						
	TAKAHASHI Masayuki	Internal	●		●						
	MIYAZAKI Tatsumi	Internal	●		●		●				
	TSUKAMOTO Masakazu	Internal	●			●			●	●	
	TAKAYA Yoichiro	Internal	●			●		●			
	WAKIMOTO Hiroshi	Internal	●				●				
	IGARASHI Katsuhiko	Internal	●		●	●					
	OHASHI Hiroki	Internal	●		●	●		●			
	TAKAGI Yasuhiro	Internal	●		●	●					
Directors who are members of Audit and Supervisory Committee	BABA Chiharu	Outside	●			●			●	●	
	YAMAMOTO Mayumi	Outside								●	●
	KAWARATANI Shinichi	Outside	●	●			●				
	TSUKASAKI Yuko	Outside						●			●
	YAMAMOTO Yasuhiro	Internal	●	●				●		●	
	AOYAMA Koji	Internal	●	●	●	●	●			●	
	SEKI Hiroshi	Outside	●	●				●		●	
	KATSUMARU Chiaki (ISHIKAWA Chiaki)	Outside							●	●	●
	SUEMORI Shigeru	Outside	●		●	●	●				

* The above does not represent all the knowledge and experience of directors.

Board Structure that Balances Diversity in Gender, Internationality, etc. and Appropriate Size

As a holding company that oversees various business fields, the Company makes sure that the composition of the Board of Directors is well-balanced by appointing individuals with a wealth of experience and superior knowledge in various specialized fields, such as business strategies, international strategies, finance, and personnel affairs.

In addition, the Company aims to ensure transparency and enhance corporate value by having individuals with many years of practical experience in corporate management, experts in corporate legal affairs and finance, and academic experts join the Board of Directors as outside directors and provide an outside perspective.

As for the size of the Board of Directors, we have achieved greater effectiveness and efficiency by, while sufficiently functioning as a holding company, having some board members serve core group companies as well.

We have appointed a total of three female directors.

The expertise and experience required of directors are shown in the "Skills Matrix for Directors."

Efforts to Ensure the Efficient Execution of Duties by Directors

In accordance with the Regulations of the Board of Directors, Board of Directors meetings are held once a month and as needed, and 20 meetings were held during FY 2021.

The Board of Directors meetings deliberate on all matters to be discussed at the Board of Directors meetings in accordance with the internal regulations, and actively exchange opinions on each matter, as well as receive quarterly reports on the status of execution of duties by each director. In addition, the Board of Directors is evaluated for its effectiveness on an ongoing basis to improve its functioning.

Also, in light of the Corporate Governance Code, the "Nomination and Compensation Committee," a voluntary advisory committee, has been established under the Board of Directors in order to improve objectivity in nomination and compensation. The Committee met seven times during FY 2021, and all members attended all of the meetings.

Independent outside directors hold regular meetings with representative directors to strengthen the monitoring function for the execution of duties by directors.

Efforts to Ensure the Effective Implementation of Audit and Supervisory Committee Member

In addition to constantly inspecting approval requests and other documents, Audit and Supervisory Committee Members attend meetings of the Board of Directors and various committees to gain an understanding of the company's important decision-making process and the status of business execution. In addition, Audit and Supervisory Committee Members, the President and CEO, the Accounting Auditor, and others communicate with each other and exchange opinions to ensure that the audits by Audit and Supervisory Committee Members are conducted effectively.

Appraisal of the Effectiveness of the Board of Directors

At the Board of Directors meetings, we check the execution of duties by directors, including the state of compliance with laws and regulations, the state of risk management and information sharing, and the speed with which issues are resolved, and we also strive to ensure the effectiveness of the Board of Directors as a whole by holding meetings between representative directors and outside directors.

In addition, once a year, all directors are subject to a self-assessment of the effectiveness of the Board of Directors with the aim of improving the functioning of the Board of Directors as a whole and sharing awareness of the direction in which our corporate governance is headed.

More specifically, the self-assessment is conducted through an anonymous questionnaire to ensure that candid opinions are heard, and the questionnaire consists of major assessment items asking about the structure, operational status, responsibility and functions of the Board of Directors and the state of the Board of Directors as seen from outside directors. As for collecting responses, they are collected by an external law office with a duty of confidentiality, and they are analyzed by a third-party organization. Based on the results of this analysis, our Board of Directors has verified and evaluated the current situation and obtained favorable results, and continues to discuss issues related to the Board of Directors.

[Overview of the Effectiveness Assessment Made in FY 2020 and Results of Measures Taken]

[Major opinions]
Discussions should be deepened on matters related to the framework of the new company emerging after the business integration that was scheduled for early FY 2022, such as the vision and corporate philosophy of the new company, the long-term direction of the group as a whole, and the governance system to realize it, as well as the increase in the number of group companies and the further enhancement in the risk management system and operational aspects with the new company in mind.

[Measures Having Been Taken]

Efforts were made to maintain and improve the effectiveness of the Board of Directors on an ongoing basis by further deepening the Board of Directors' discussions through *Deliberation Forum* (established in FY 2017) where members of the Board of Directors can freely exchange opinions on medium- to long-term business strategies and management issues.

[Overview of the Effectiveness Assessment for FY 2021]

[Major opinions]
With the establishment of new consolidated corporation in July 2022, deeper discussion should be made about the members of the Board of Directors, the role of the Nomination and Compensation Committee, and the restructuring and effective operation policy of the Group-wide risk management framework.

[Measures Being Taken]

We are continuously working to maintain and improve the effectiveness of by deeper discussion in Board of Directors meetings through discussion in *Deliberation Forum* and other occasions.

Training of Directors

We provide an executive officers' training program for directors to deepen their awareness of their roles and legal responsibilities on a regular basis. The training program covers basic matters

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such as the significance of corporate governance, insider trading, and the Construction Business Act, as well as case studies on corporate scandals and trouble.

In addition, outside directors and others are provided with opportunities including inspections of business establishments of operating companies and construction sites, as appropriate, so that they can deepen their understanding of our business content and current conditions.

Planning and Development of Successors for the CEO, etc.

We appropriately plan and develop successors for the CEO and other senior management based on our management philosophy and business strategies. When appointing a CEO, the Nomination and Compensation Committee, chaired by an independent outside director, is consulted, and based on its report, the Board of Directors votes on the appointment.

Compensation, etc. of Executive Officers

Basic Policy

With regard to the compensation of directors, the total amount (limit) is set by the General Meetings of Shareholders after approval by the Board of Directors, and each director receives compensation in accordance with their roles and responsibilities.

As well, with regard to the policy for deciding the compensation for each director, for the purpose of enhancing objectivity and transparency, the "Nomination and Compensation Committee" (chaired by an independent outside director), which is an advisory body to the Board of Directors and consists of four independent outside directors and the President and CEO, reports the results of its deliberations to the Board of Directors, which then makes decisions based on the report.

Outside directors, who are responsible for supervisory functions, are paid only monthly basic compensation in light of their duties.

* Details of compensation for executive officers are provided in the "Annual Securities Report."

Introduction of Performance-linked Compensation System

We have introduced the "Board Benefit Trust," a performance-linked stock compensation system, for the purpose of clarifying the linkage between the compensation of executive officers and the Company's business performance and stock value, and heightening awareness about contributions to the improvement in the business performance and corporate value over the medium to long term.

As the indicators for performance-linked compensation, we have chosen consolidated operating income and ROE, which should help heighten awareness about contributions to the improvement in business performance and corporate value of the group companies. The Company grants points calculated by multiplying the standard points set in accordance with the internal regulations on issuing shares to executives by the performance-linked coefficient corresponding to the Company's consolidated operating income and ROE, and awards one share per point at the time of retirement.

Also, from FY 2022, we added the *GHG reduction target*

to the set of indexes for performance-linked compensation as a consolidated ESG index in order to raise awareness of the management personnel about efforts for ESG.

Percentage of the Amount of Monetary Compensation and the Amount of Performance-linked Compensation, etc.

Monthly Compensation (Fixed Compensation)	Variable Compensation	Performance-linked Compensation (Non-monetary Compensation)
80%	20%	6%

* In consideration of insider trading regulations, etc., and in order to heighten management awareness and common goal awareness of increasing shareholder value, all directors (excluding outside directors) are required to contribute at least 10% of their monthly compensation to the Executive Officers' Stock Option Plan, which effectively changes the percentages: 72% for fixed compensation, 28% for variable compensation, and 14% for non-monetary compensation (stock-based compensation).

Matters Concerning Delegation of Authority for Determining Compensation, etc. of Individual Directors

For FY 2021, it has been resolved that the decision on the amount of basic compensation for each director and the amount of bonuses based on the business performance of each fiscal year would be left to President and CEO NAKAYAMA Toshiaki, assuming that the Nomination and Compensation Committee would be consulted within the range of the total amount approved at the General Meeting of Shareholders, based on the resolution of the Board of Directors on June 24, 2021. The reason for delegating these authorities is that the President and CEO is considered to be the most suitable person to evaluate the execution of duties by each director while having a bird's eye view of the company's overall business.

Total Amount of Compensation for Each Executive Class, Total Amount of Compensation by Type, and the Number of Eligible Executive Officers

Executive Class	Total Amount of Compensation (million yen)	Total Amount of Compensation by Type (million yen)		Number of Eligible Executive Officers (Number)
		Fixed Compensation	Performance-linked Compensation	
Directors (excluding outside directors)	108	84	24	8
Auditors (excluding outside auditors)	24	24	-	2
Outside executive officers	45	45	-	5

Total Amount of Consolidated Compensation, etc. for Each Executive Officer

This information is not provided because no executive officer received a total of 100 million yen or more in consolidated compensation, etc.

Transactions with Related Parties

We require that competitive transactions and conflict-of-interest transactions conducted by directors be deliberated and approved by the Board of Directors, and that the status of such transactions be reported to the Board of Directors on a regular basis.

We require executive officers to submit a "Related Party Confirmation Statement" to ascertain whether there are any transactions with related parties, such as themselves, their close relatives, organizations they represent, and organizations in which they hold majority voting rights.

With regard to transactions with major shareholders, in accordance with internal regulations, the person with decision-making authority is required to confirm the appropriateness of such

transactions to ensure that they do not harm the Company or the common interests of shareholders, and report particularly important transactions to the Board of Directors.

Cross-Shareholdings

Criteria and Concepts for Classification of Investment Shares

Our group classifies shares that it holds for the following purposes as investment shares for non-pure investment purposes, and shares that it holds for other purposes as investment shares for pure investment purposes.

- Maintaining and strengthening business relationships with the investee company
- Maintaining and strengthening cooperative relationships to promote alliance business
- Cooperating for efficient construction, etc.

Methods of Verifying the Holding Policy and Rationality of Investment Shares Held for Non-Pure Investment Purposes, and Details of Verification by the Board of Directors, etc. as to Whether or Not to Hold Individual Issues

- Holding policy

Our group holds shares of its business partners when it believes that holding such shares will enhance the Group's corporate value and benefit its shareholders. After reviewing the purpose of holding shares and the status of transactions, etc., if the holding of such shares is deemed to be of little significance through quantitative and qualitative verification, we will gradually reduce the holdings through divestment, etc.

- Methods of verifying the rationality of shareholding

We conduct quantitative and qualitative verifications of investment shares held for non-pure investment purposes in terms of medium- to long-term economic rationality and future prospects based on return and risk, etc.

- Details of verification by the Board of Directors, etc. as to whether or not to hold individual issues

With regard to investment shares held by the Group for non-pure investment purposes, we conduct a review of the purpose of holding such shares, the status of transactions, etc., and determine whether or not to continue holding such shares by verifying each individual issue quantitatively and qualitatively once a year at a meeting of the Board of Directors, in terms of whether the returns and risks associated with the holdings are commensurate with the cost of capital, the purpose of the holdings, future business trends, etc.

We are divesting shares for which, as a result of the verification, we believe there is little significance in holding, taking into consideration the share price and other factors. In addition, we will manage the status of holding and reduction of investment shares held in the entire Group for non-pure investment purposes through annual verification. Based on the above policy, etc., we divested 9 issues in FY 2021.

Management of Insider Information as well as Timely and Fair Disclosure

The MIRAIT Group discloses accurate information in a timely manner through TDnet and EDINET in accordance with the Disclosure Policy published on the website and in other corporate

materials. We also make use of mediums such as our corporate website (<https://www.mirait-one.com/>) and press releases in an effort to further broaden our dissemination of information. Furthermore, the MIRAIT Group strives to provide beneficial information that is easy for shareholders and other investors to understand, such as materials used in its IR activities.

We fully and properly manage information according to insider trading regulations when in the possession of important information not yet released to the public domain when talking with all shareholders and other investors.

Efforts to Enhance Communication

The IR Department undertakes investor relations activities as the department in charge of investor relations under the supervision of the Director and Chief of Finance and Accounting Division, who is the manager responsible for the handling of information. The managers responsible for investor relations handle consultations with all of our shareholders and other investors as much as possible. The MIRAIT Group holds financial results briefings twice a year for analysts and institutional investors and distributes the briefings on its website, etc. In addition to providing important information in English in a timely manner to overseas institutional investors, we also engage in overseas IR activities in the North American, European and Asian regions. Our representatives also work to explain matters fully at these financial results briefings and in our overseas IR activities to encourage constructive dialogue with all of our shareholders and other investors.

In addition, in order to help people deepen their understanding of our business, we participate in online company information sessions streamed live for individual investors, as well as individual investor information sessions held by securities companies as appropriate. The opinions of shareholders and investors are provided as feedback to management at meetings of the Board of Directors and the Group Presidents' Council. Furthermore, the Group also sends MIRAIT Report booklets that include business performance and topics to all of the shareholders twice a year.

Efforts to Vitalize the General Meetings of Shareholders

With regard to the operation of the General Meetings of Shareholders, we aim to help shareholders understand better, for example, by printing the convocation notice in color and using video images to present business reports. The convocation notice, reference documents, and reports are also available on our website.

The 12th Ordinary General Meeting of Shareholders was held on June 14, 2022 on a reduced scale as a countermeasure against the spread of the new coronavirus. In order to deepen the understanding of shareholders and others who were unable to attend the meeting, the business report was posted in a video format on our website in advance, and the meeting was streamed live on the day of the meeting. For those shareholders who were unable to watch the live broadcast of the General Meeting, the video recording of the meeting is posted on our website for viewing afterwards.

Thorough Compliance

Establishing Through Compliance as Corporate Culture

Setting forth the slogan “give importance to sustainability and compliance to respond to the expectations of society” as one of the Missions and focusing on “thorough compliance” as one of Materiality items, the Group defined MIRAIT ONE Group Safety/Compliance Charter to make sure all directors and employees understand that thorough compliance is a key to successful corporate management.

The charter sets forth basic policies related to *efforts for fostering morality, fair trading, information disclosure, the elimination of relationship with antisocial forces*, and so forth, as the top priority items to tackle.

Also, based on Compliance Regulations, the Compliance Committee chaired by a director in charge of compliance was held twice in FY 2021 under the ESG Management Promotion Committee chaired by President and CEO, to discuss individual issues as well as to share incidents and measures related to compliance.

The internal audit section conducts monitoring to verify the effectiveness of compliance promotion activities. Also, the MIRAIT ONE Group conducts not only operation auditing but also organization scrutiny for any violation or deficiency by naming a compliance promotor in each department, aiming for the elimination of misconduct by improving self-cleansing ability of each department for early detection and quick action.

Furthermore, the Group conducts a yearly survey on employees about risks that they heard of in their daily operations or they think may materialize, as well as about compliance awareness of their own and of their departments to help identify issues and consider countermeasures.

(1) Training

In view of the increasing importance of compliance for doing

company business, we are working to raise awareness by communicating the importance of compliance in director training, stratified training, and partner company training.

(2) Development of Internal Reporting System

The company has established a system to receive warning and consultation from people engaged including directors, employees, non-regular employees, dispatched members, as well as retired workers within 1 year of retirement in the company, group companies, and partner companies.

1. Compliance Meyasubako

The Compliance Meyasubako is a window for internal reports on compliance violation such as fraud, misconduct, improper accounting, embezzlement, and collusion. It helps to detect internal risks early to mitigate risks and prevent violation.

2. Nandemo Sodanshitsu (consultation window for anything)

Nandemo Sodanshitsu is the window for hearing consultation on various issues such as work environment and human rights (including harassment issues). It helps the company to proactively listen to opinions and propositions for the resolution of problems

3. External consultation desk

The external consultation desk is served by an attorney for consultations that are hard make within the company.



Due Payment of Taxes

The MIRAIT Group observes all laws and regulations concerning taxation practices in all countries and regions where it operates, consistently working to maintain and raise its standards of taxation compliance.

Development of Internal Control System

Our board of directors has adopted the “Basic Policies for the Internal Control System” to ensure the appropriateness of operations of the MIRAIT Group. We have also enacted Administrative Regulations for Subsidiary Companies and a Group-wide internal control system in our effort to appropriately manage the Group through specific internal controls at our subsidiary companies.

In addition, we manage important matters that have a significant impact on the entire corporate group by receiving reports from and discussing with subsidiaries, and take necessary measures as a corporate group.

Thorough risk management

Major risks	Overview	Measures
(1) Dependence on specific business partners	Our group’s main business partners are the NTT Group and other telecommunications companies, which account for a large percentage of our sales, and their capital investment trends and technological innovations may affect our group’s business performance.	In addition to accelerating the shift in our business structure from the telecommunications carrier business to the solutions business, the Group is taking on the challenge of creating new business opportunities that go beyond the framework of conventional business fields and technologies.
(2) Safety and Quality	In the event of unforeseen circumstances due to serious accidents or serious quality problems, the Group’s business performance may be affected by loss of trust from business partners, restrictions on sales activities, etc.	Utilizing an integrated management system for safety and quality, our group is united in its efforts to manage safety and quality so that we can deliver high quality engineering and services that are trusted and valued by our customers.
(3) Management of Important Information	Through our business activities, we may obtain technical data, personal information, and other important information from our business partners. In the event that information is leaked due to unforeseen circumstances or is misused, our group’s business performance may be affected by loss of trust from business partners and liability for damages.	We are using the ISMS (Information Security Management System) and working together as a group to thoroughly prevent information leaks.
(4) Credit Uncertainty of Business Partners	In the event of credit uncertainty in our business partners, we may not be able to collect construction payments or need to delay construction work, which may affect our group’s business performance.	Our group is working to avoid credit uncertainty risk by managing the creditworthiness of our business partners through the use of external investigative agencies, etc., and by having our legal staff review contracts.
(5) Holdings	While we hold securities and other assets due to the necessity of business operations, our group’s business performance may be affected by significant fluctuations in their market value.	When the Group finds little significance in holding any securities, etc. through quantitative and qualitative verification, we gradually reduce them to avoid market value fluctuation risk.
(6) Natural Disasters and Infectious Diseases, etc.	Our group’s business performance may be affected by unforeseen circumstances, such as direct damage to our employees, collaborators, or facilities caused by a large-scale disaster or an epidemic of infectious diseases, or delays in the delivery of materials and equipment due to a disruption in the supply chain.	In preparation for earthquakes and other natural disasters as well as infectious disease outbreaks, our group has taken various measures, including the formulation of a BCP (business continuity plan), the establishment of an employee safety confirmation system, disaster drills, and a shift to a new work style.
(7) Overseas Business	Our group operates in foreign countries, mainly in Asia and Oceania, and our business performance may be affected by significant changes in political and economic conditions, exchange rates, and legal regulations, as well as epidemics of infectious diseases, sharp rises in material prices, and significant increases in unit labor costs in the host countries.	The Group strives to prevent and avoid such risks by gathering information within the Group, and operating from moderately scattered countries.
(8) Risks related to climate change	With the materialization of problems of global climate change, enterprises are required to take environment conscious measures such as the reduction of greenhouse gas emissions and the reduction of industrial waste. These considerations tend to be required not only for the Group but also for the set of companies in supply chains. In such circumstances, if the Group or a partner company cannot behave properly, it may impact the performance of the Group due to a customer imposing restriction on trade.	In the review of important issues (Materiality), the Group set forth the clear policy of Building and Maintaining an Environmentally-Friendly Society and advocated the recommendation of Task Force on Climate-related Financial Disclosures (TCFD). Based on the framework of TCFD, the Group is working to analyze risks and opportunities, grasp and reduce the greenhouse gas (GHG) emissions made through business activities, and reduce industrial waste further.
(9) Risks related to M&A	The Group is working to boost the Group value through the M&A of companies that are considered to provide synergy to realize the enhancement of business domains and reform of business models. However, if an M&A target company does not provide expected contribution to profit or synergy, it may impact the financial conditions and business performance of the Group.	In the event of an M&A, the Group makes careful deliberation of its consistency with the growth strategy of the Group, the future market trend prospect and the business plan, and synergy with the Group. In the process of integration after a M&A, the Group works to maximize the synergy by strengthening the monitoring of the process by defining action items and their target completion dates.

Thorough risk management

Handling of Risks

The Group lists risks necessary to take care of in Risk Management Regulations to enable appropriate management of various risks related to business. The Risk Management Executive Committee chaired by a director in charge of compliance was established under the ESG Management Promotion Committee chaired by President and CEO to deliberate risk management items. The committee meeting was held twice in FY 2021.

In addition, the internal audit section conducts monitoring to verify the effectiveness of risk management.

As of the end of March 2022, the items listed in the following page are the main risks that we consider potentially affect our business performance and financial position.

Highlights in 5-year Non-financial Management

We will continue to enhance the scope of the disclosure of non-financial data related to ESG, and be committed to the establishment of non-financial targets set forth in the mid-term management plan.

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	
Environment	CO2 emissions ** (Emissions from providing data center services)	8,359 t-CO2 ²	8,868 t-CO2 ²	14,856 t-CO2 ² (3,057 t-CO2 ²)	Scope1:66,890t-CO2 Scope2:22,841t-CO2 Scope3:2,471,129t-CO2e (11,046 t-CO2e)	Scope1:67,907t-CO2 Scope2:21,277t-CO2 Scope3:2,413,496t-CO2e (29,123t-CO2e)
	Total annual amount of green energy generated by the Company (solar)	124,000kwh ¹	138,000kwh ¹	132,000kwh ¹	137,000kwh ¹	285,000kwh
	Power generation capacity of other companies' renewable energy generation facilities constructed by the Group (cumulative total)	87,677kw ² (299,795kw ²)	48,929kw ² (348,724kw ²)	14,510kw ² (363,234kw ²)	35,463kw ² (398,697kw ²)	21,946kw ² (420,643kw ²)
	Industrial waste recycling ratio ***	-	-	-	-	96.43% ⁴
	Industrial waste final disposal ratio ***	-	-	-	-	3.57% ⁴
	Water resources used and total water discharged	-	-	40,000m ³ ¹	39,000m ³ ¹	39,000m ³ ¹
	Occupational accident frequency rate	0.19 ¹	0.00 ¹	0.18 ¹	0.35 ¹	0.00 ¹
	Number of serious facility accidents ***	-	-	-	-	0
Ensuring Worker Safety	Number of accidents resulting in serious injury ***	-	-	-	3	
	Number of work-related accidents (fatalities) among regular employees in the past 3 years *	-	0 ¹	0 ¹	0 ¹	0 ¹
	Number of work-related accidents (fatalities) among contract employees in the past 3 years *	-	0 ¹	0 ¹	0 ¹	0 ¹
Promoting Health-oriented Management	Stress check participation rate *	-	-	-	98.4%	97.5%
	Percentage of highly stressed employees *	-	-	-	9.9%	10.1%
	Turnover rate (past 3-year average for new graduates) *	-	-	-	6.8%	5.4%
Development of a Comfortable Working Environment	Number of employees who took sick child leave *	-	-	-	41 persons	43 persons
	Average age *	-	-	-	41.9 years old ¹	42.1 years old ¹
	Ratio of managers *	-	-	-	30.9%	30.1%
Advancing Efforts Towards Workstyle Reforms	Rate of annual paid leave	57.1% ³	64.7% ¹	63.0% ¹	60.7% ¹	64.6% ¹
	Average overtime hours *	-	-	-	24.9 hours ¹	22.9 hours ¹
Talent development	% personnel with multiple qualifications ***	-	-	-	-	26.6% ²
	Ratio of women in new graduate hires	24.6% ³	16.7%	23.1%	23.2%	17.8%
	Ratio of women in managerial positions	2.9% ³	2.7%	2.7%	3.3%	3.3%
	Women directors (executives)	1 persons ³	2 persons	3 persons	3 persons	3 persons
	Rate of parental leave taken by women employees	100% ¹	100% ¹	100% ¹	100%	100%
Promote Diversity	Number of women who worked shorter hours for childcare *	-	-	-	47 persons	45 persons
	Average age of women *	-	-	-	36 years old ¹	36.4 years old
	Rate of parental leave taken by male employees ***	-	-	-	-	80.2%
	No. of mid-career employees hired (incl. those with significant experience) *	-	-	-	134 persons	132 persons
	Non-regular employees (contract employees, dispatch employees) *	-	-	-	1,783 persons	1,580 persons
	Rate of Reemployment After Retirement ***	-	-	-	-	75.6%
	Disabled persons employment rate *	-	-	-	2.15%	2.19%
	Corporate citizenship spending	30 mil. yen ³	35 mil. yen ³	36 mil. yen ³	28.6 mil. yen ³	36.4 mil. yen ³
Helping local communities	Serious violations of laws and regulations (number of cases) *	-	-	-	0 ¹	0 ¹
	Compliance training (participation rate) *	-	-	-	100% ¹	100% ¹
	Compliance training questionnaire (response rate) *	-	-	-	81.2% ¹	98.4% ¹
	Internal reports (number of cases) *	-	-	-	62 ¹	90 ¹
Diversity	Total number of new recruits	59 persons ¹	56 persons ¹	75 persons ¹	128 persons ¹	95 persons ¹
	Number of women recruits	14 persons ¹	14 persons ¹	17 persons ¹	29 persons ¹	13 persons ¹
	Ratio of new women recruits	23.7% ¹	25.0% ¹	22.7% ¹	22.7% ¹	13.7% ¹
	Total number of managerial positions	502 persons ¹	761 persons ¹	902 persons ¹	938 persons ¹	972 persons ¹
	Number of women in managerial positions	17 persons ¹	22 persons ¹	26 persons ¹	29 persons ¹	30 persons ¹
	Ratio of women in managerial positions	3.4% ¹	2.9% ¹	2.9% ¹	3.1% ¹	3.1% ¹
	Total number of directors (executives)	12 persons ¹	14 persons ¹	15 persons ¹	13 persons ¹	12 persons ¹
	Women directors (executives)	1 persons ¹	1 persons ¹	1 persons ¹	0 persons ¹	0 persons ¹
	Ratio of women directors	8.3% ¹	7.1% ¹	6.7% ¹	0% ¹	0% ¹
	Total number of employees	2,607 persons ¹	2,655 persons ¹	2,716 persons ¹	2,882 persons ¹	2,925 persons ¹
	Number of women employees	166 persons ¹	180 persons ¹	193 persons ¹	255 persons ¹	266 persons ¹
	Ratio of women employees	6.4% ¹	6.8% ¹	7.1% ¹	8.8% ¹	9.1% ¹
	Average employment years	14.7 years ¹	14.9 years ¹	14.8 years ¹	15.3 years ¹	15.6 years ¹
	Average employment years for women	11.8 years ¹	11.6 years ¹	11.8 years ¹	11.2 years ¹	11.5 years ¹
	Percentage difference in average employment years for women to men employees	19.7% ¹	22.1% ¹	20.3% ¹	26.8% ¹	27.7% ¹

* Disclosed from FY 2020
** From FY 2020, total values of seven companies including Seibu Construction Co., Ltd. are disclosed for different scopes.
*** Disclosed from FY 2021

About the Numerical Data
The average age, ratio of managers, and number of women in managerial positions are numbers as of April 1, 2022. All except for the left are numbers as of March 31, 2022. Not indicated: The value is the total for former MIRAIT Holdings Corporation, former MIRAIT Corporation, former MIRAIT Technologies Corporation, TTK Co., Ltd., SOLCOM Co., Ltd. and Shikokutsuken Co., Ltd. - the six companies
*1: Non-consolidated (former MIRAIT Corporation only)
*2: Total for former MIRAIT Corporation and former MIRAIT Technologies Corporation- the two companies
*3: Total for former MIRAIT Holdings Corporation, former MIRAIT Corporation and former MIRAIT Technologies Corporation- the three companies
*4: Former MIRAIT Corporation, former MIRAIT Technologies Corporation, TTK Co., Ltd., SOLCOM Co., Ltd. and Shikokutsuken Co., Ltd. - the five companies

Company Information / Stock Information

Overview of MIRAIT ONE Corporation (As of March 31, 2022)

Date of establishment	October 1, 2010
Head office	5-6-36 Toyosu, Koto-ku, Tokyo, Japan
Representative	NAKAYAMA Toshiki, President and Chief Executive Officer
Capital	7.0 billion yen
Ratings	Rating and Investment Information, Inc. (R&I): A- Credit Rating Agency, Ltd. (JCR): A
End of fiscal year	March 31
Employees	3,710 (MIRAIT ONE Group 14,006)

Status of Shareholders (As of March 31, 2022)

The latest information can be found at our website (<https://www.mirait-one.com/>).

Stock Listing	Tokyo Stock Exchange (Prime Market) (Security code: 1417)
Total authorized shares	330,000,000
Total outstanding shares	108,325,329 (treasury shares: 8,971,121)
Number of shareholders	24,654 (excluding treasury shares)

Major shareholders (top 10)

Name	Number of shares held (in hundreds)	Ownership (%)
The Master Trust Bank of Japan, Ltd. (trust account)	146,655	14.76
Custody Bank of Japan, Ltd. (trust account)	105,154	10.58
Sumitomo Electric Industries, Ltd.	36,687	3.69
Sumitomo Densetsu Co., Ltd.	24,886	2.50
GOVERNMENT OF NORWAY	21,104	2.12
MIRAIT Holdings Employee's Stock Option Plan	19,586	1.97
STATE STREET BANK AND TRUST COMPANY 505001	16,082	1.62
Mizuho Bank, Ltd.	13,005	1.31
STATE STREET BANK WEST CLIENT - TREATY 505234	12,770	1.29
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	12,700	1.28

*1 The ratio of shares held is calculated after subtracting the treasury shares (8,971,121).

*2 The number of shares held shown is rounded down to the nearest 100 shares and the ownership is calculated by rounding off to two decimal places.

Share distribution by owner type (excluding treasury shares)

Number of shares by owner type	(shares)	Ratio (%)
Financial institutions	37,286,328	37.5
Financial instruments business operators	1,196,435	1.2
Other corporations in Japan	11,517,409	11.6
Foreign corporations, etc.	26,523,097	26.7
Individuals/other	22,830,939	23.0
Total (excluding shares owned by the company)	99,354,208	100.0

Number of shareholders by owner type	Number of shareholders (name)	Ratio (%)
Financial institutions	51	0.2
Financial instruments business operators	36	0.1
Other corporations in Japan	310	1.3
Foreign corporations, etc.	260	1.1
Individuals/other	23,997	97.3
Total (excluding shares owned by the company)	24,654	100.0



MIRAIT ONE Corporation

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External Evaluation



- DX-certified company
(from June 1, 2021)
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