



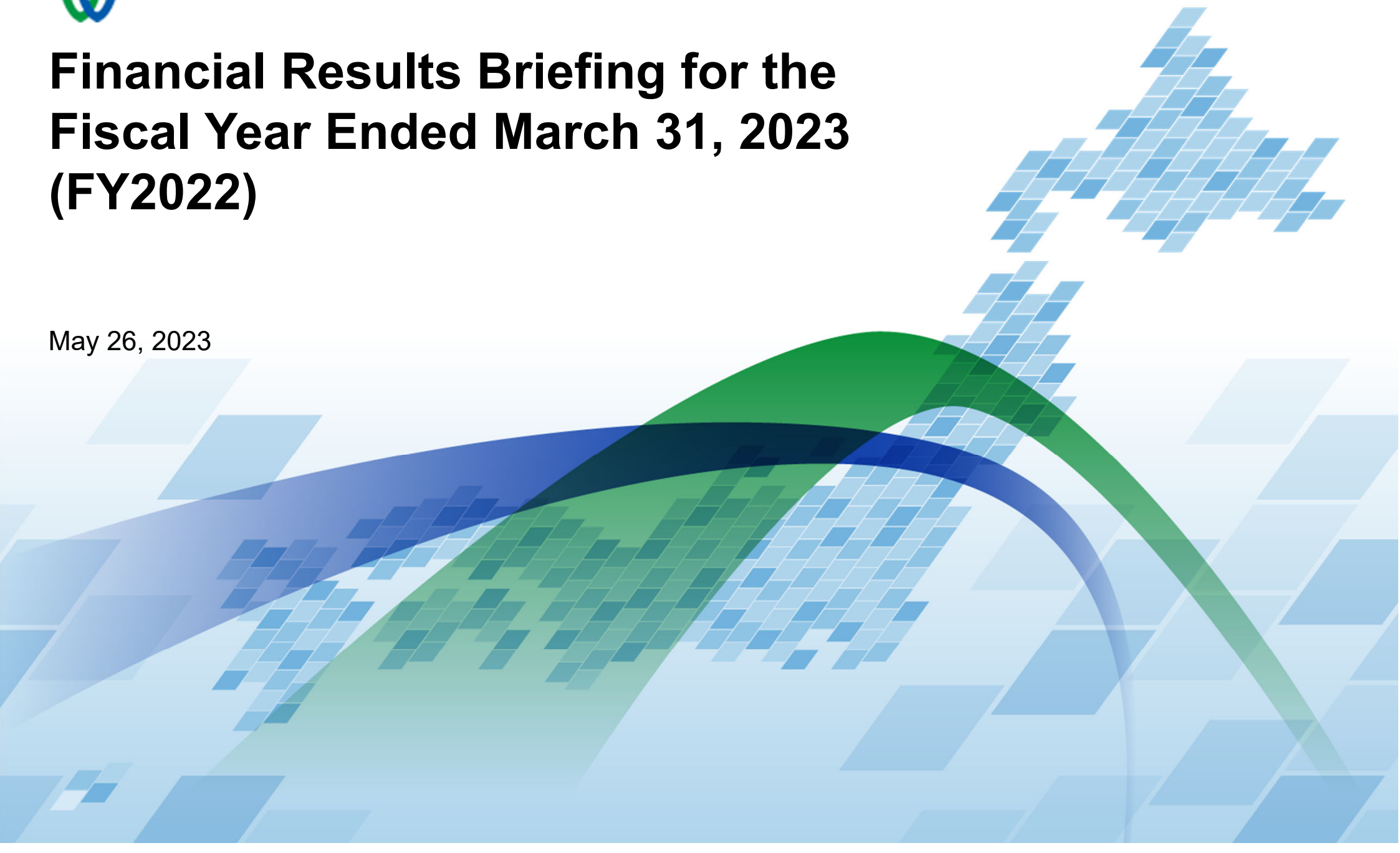
MIYAJI ENGINEERING GROUP, INC.



JPX-NIKKEI Mid Small

# Financial Results Briefing for the Fiscal Year Ended March 31, 2023 (FY2022)

May 26, 2023



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# I. Financial Results for FY2022



# Key Topics for FY2022

- ◆ The Japanese economy continued to recover gradually as socioeconomic activities normalized following the COVID-19 pandemic. Meanwhile, the environment surrounding the Japanese economy became increasingly severe, mainly due to concerns about a global economic recession caused by soaring global energy and food prices, monetary tightening in the United States and Europe, and other factors.
- ◆ Public investment remained firm. In the Group's mainstay bridge business segment, which includes highway and railway bridges, orders for new construction-related projects as well as large-scale renovation and maintenance-related projects totaled nearly ¥300.0 billion each, on par with the volume of orders in the previous fiscal year.
- ◆ The amount of orders received of the Company rose 4.2% year-on-year due to orders received for large, technically challenging new construction-related projects, large-scale renovation and maintenance-related projects, railroad-related projects, and coastal structures.

# Key Topics for FY2022

- ◆ Net sales rose 3.9% year-on-year, but fell short of the business plans mainly due to the impact of a delay in orders received for new projects, lower-than-expected plant operations, and the carry-over of sales of completed work at the end of the fiscal year for large projects into the next fiscal year, despite generally steady progress in existing projects.
- ◆ Operating profit fell 11.8% year on year due to the impact of lower sales caused by the carry-over of sales of completed work for large projects into the next fiscal year and other factors, although it has been expected to be in line with the plan mainly due to production efficiency improvements and operational efficiency improvements to deal with the negative impact of soaring energy prices and other factors.
- ◆ We will assess current conditions in relation to capital costs and capital profitability and engage in management activities aimed at increasing our corporate value.

# Financial Results Summary for FY2022

Although net sales, operating profit, and ordinary profit all fell below plans at the beginning of the fiscal year due to the impact of the carry-over of sales of completed work at the end of the fiscal year for large projects into the next fiscal year, we achieved our target for profit attributable to owners of parent.

(Million yen)

	FY2020	FY2021		FY2022	
	Results	Results	Vs. PY	Results	Vs. PY
Net sales	55,268	58,002	4.9%	60,279	3.9%
Operating profit	5,501	5,810	5.6%	5,128	-11.8%
Ordinary profit	5,547	5,992	8.0%	5,374	-10.3%
Profit attributable to owners of parent	3,808	3,406	-10.6%	3,077	-9.7%
Return on equity (ROE)	13.5%	10.7%	-	8.9%	-
Orders received	70,695	63,974	-9.5%	66,650	4.2%
Order backlog	88,315	94,286	6.8%	100,658	6.8%

# Main Projects Sold (1)

## New construction-related projects

**Ebie area steel girder and steel pier construction project- Hanshin Expressway Company Limited**

**Construction work of the West Nishifukase Bridge, Tokai Ring Expressway  
MLIT Chubu Regional Development Bureau**



**Tsunogo Yamamori Line (Fukuyama West Circular Route)  
Road improvement project (R2-2 area)  
Hiroshima Prefecture**



# Main Projects Sold (2)

## Large-scale renovation and maintenance-related projects



**Higashi Shinagawa/Samezu  
renewal project  
Metropolitan Expressway Co., Ltd.**



**Sasebo Viaduct widening –  
West Nippon Expressway Company Limited**



**Suita Junction - Chugoku  
Expressway Ikeda Interchange  
Bridge renovation project -  
West Nippon Expressway Company  
Limited**



# Main Projects Sold (3)

## Railroad-related, buildings with large interior spaces and special buildings, and coastal structures projects

**Keihan Yodogawa-Higashi  
Bridge Over Railway  
construction project  
KAJIMA CORPORATION**



**Shin-Honmoku area seawall (wave  
protection) construction  
MLIT Kanto Regional Development  
Bureau**



**Hokkaido Ballpark steel frame  
OBAYASHI CORPORATION  
and other JVs**



# Overview of Main Construction Project Orders

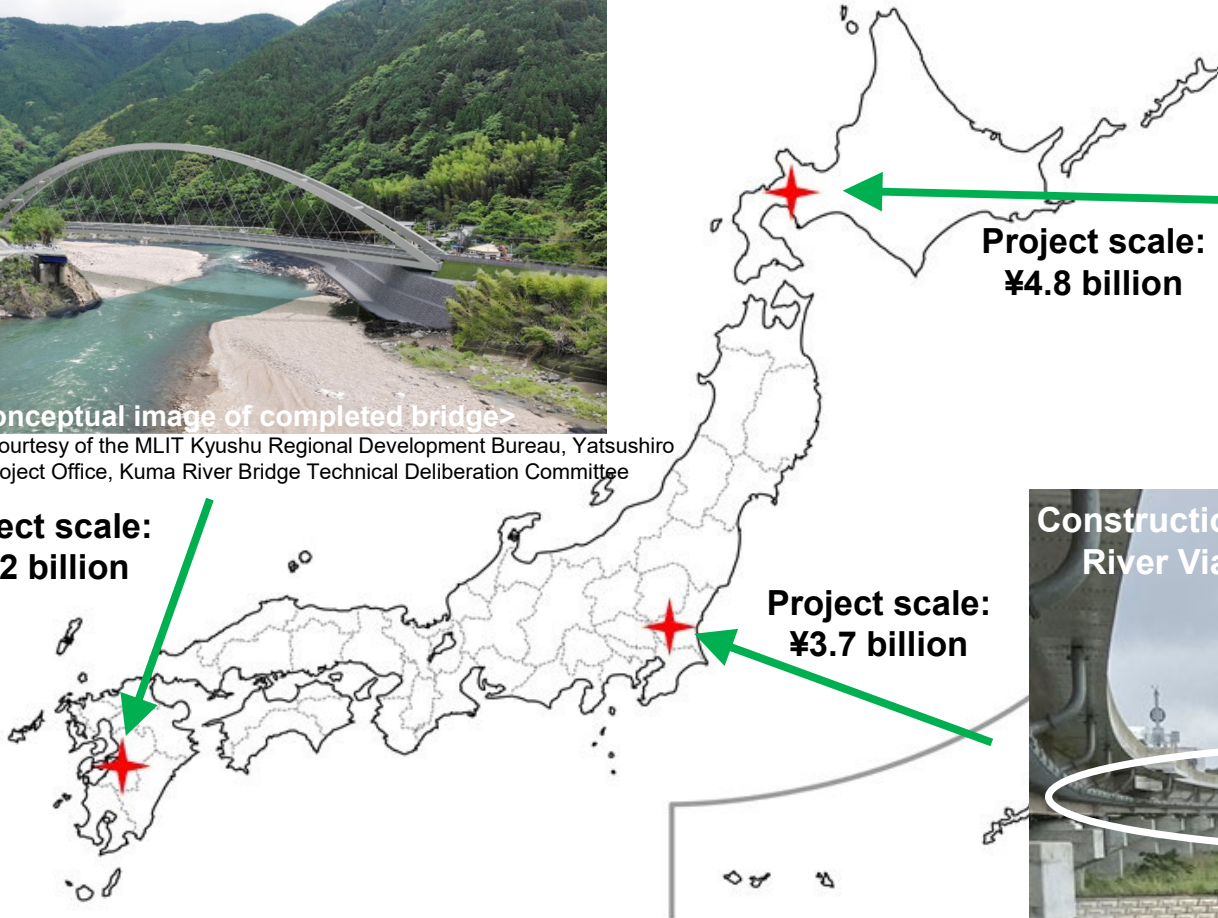
## The Group's main construction project orders

**Kamase Bridge upper section construction project for disaster restoration on the National Route 219**

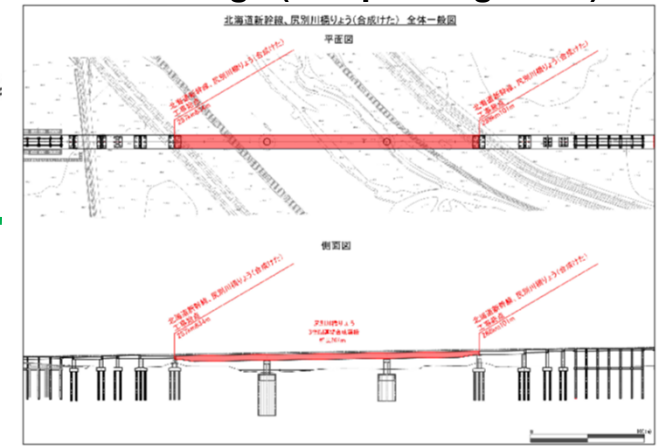


From the material of Courtesy of the MLIT Kyushu Regional Development Bureau, Yatsushiro Reconstruction Project Office, Kuma River Bridge Technical Deliberation Committee

**Project scale:  
¥3.2 billion**



**Hokkaido Shinkansen, Shiribetsu River Bridge (composite girders)**



**Construction work of the Ken-O Expressway linuma River Viaduct west (steel superstructure) West**



# Results by Segment (1)

Both MIYAJI ENGINEERING and MM BRIDGE increased revenue and decreased profit. The carry-over of sales of completed work caused a significant decline in profit for MM BRIDGE, but order volume remained strong. Order volume for MIYAJI ENGINEERING was in line with that of the previous year.

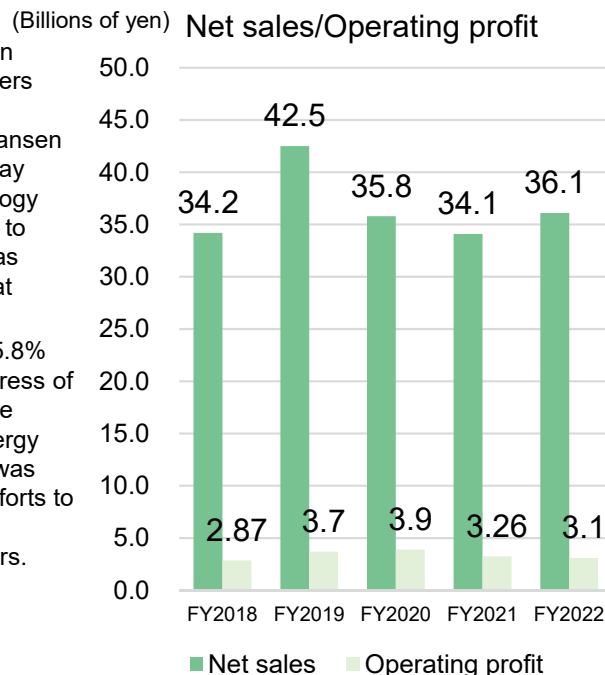
		(Million yen)				
		FY2020	FY2021		FY2022	
		Results	Results	Vs. PY	Results	Vs. PY
Net sales		55,268	58,002	4.9%	60,279	3.9%
	MEC	35,202	33,294	-5.4%	34,455	3.5%
	MMB	19,950	24,821	24.4%	25,927	4.5%
	Other	3	2	-24.7%	3	19.2%
Operating profit		5,501	5,810	5.6%	5,128	-11.8%
	MEC	3,902	3,263	-16.4%	3,097	-5.1%
	MMB	1,631	2,543	55.9%	2,018	-20.6%
	Other	540	694	28.5%	1,464	110.8%
Orders received		70,695	63,974	-9.5%	66,650	4.2%
	MEC	36,627	38,986	6.4%	38,721	-0.7%
	MMB	34,064	24,984	-26.7%	27,925	11.8%
	Other	3	2	-24.7%	3	19.2%
Order backlog		88,315	94,286	6.8%	100,658	6.8%
	MEC	47,304	52,996	12.0%	57,262	8.1%
	MMB	41,208	41,371	0.4%	43,369	4.8%
	Other	-	-	-	-	-

# Results by Segment (2)

## MIYAJI ENGINEERING

Orders received were ¥39,287 million (down 3.8% year on year) due to orders received for large-scale construction projects such as the Hokkaido Shinkansen Shiribetsu River Bridge (Japan Railway Construction, Transport and Technology Agency) and the construction project to restore the Kamase Bridge, which was swept away by the torrential rains that flooded the Kuma River (MLIT).

Net sales were ¥36,103 million (up 5.8% year-on-year) due to the steady progress of existing projects. Despite the negative impact of soaring prices, such as energy and material prices, operating profit was ¥3,097 million (down 5.1%) due to efforts to improve production efficiency and construction profitability, among others.



### Future initiatives

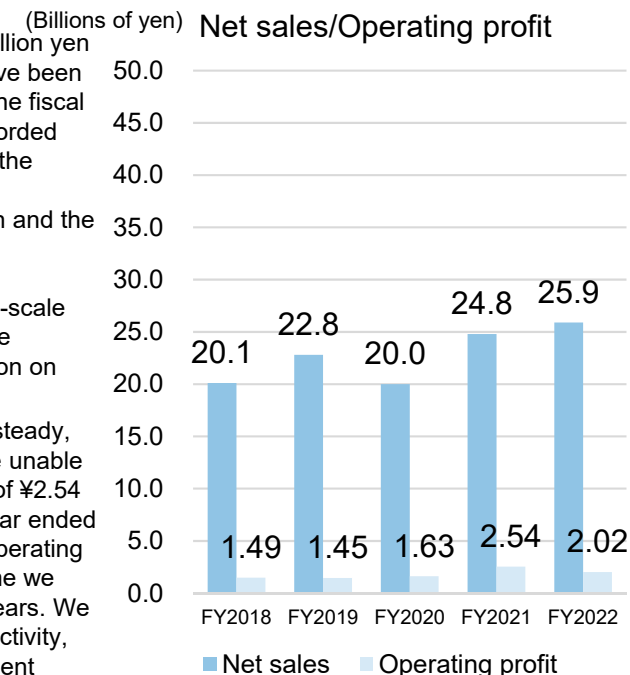
#### Maintaining a good balance of orders, from new construction projects to maintenance business

Top management are transforming and cultivating the mentalities of employees, who play the fundamental role in helping companies achieve sustainable growth, through their communications and through the examples they set with their own leadership. In addition to these mentality reforms, operation efficiency improvements, productivity improvements through the Chiba Works reform project, and efforts to reduce fixed and variable costs, we are also, through our technology development activities, increasing corporate value and revenue through expanded sales of products developed in-house. We are striving to secure and develop human resources by reinforcing our recruiting activities and our technical exchange.

## MM BRIDGE

Net sales have been in the ¥20.0 billion yen range for the past five years and have been rising steadily. In particular, during the fiscal year ended March 31, 2023, we recorded ¥25.9 billion yen in net sales due to the bridge renovation work between the Chugoku Expressway Suita Junction and the Ikeda Interchange, the Metropolitan Expressway Route 1 (Haneda Line) construction project, and other large-scale renovation projects, together with the Sasebo Viaduct widening construction on the Sasebo Road.

We will continue to aim to achieve steady, sustained growth. Although we were unable to reach the record operating profit of ¥2.54 billion that we posted in the fiscal year ended March 31, 2022, we did record an operating profit of over ¥2.0 billion, the first time we have done so for two consecutive years. We will continue to carry out cost, productivity, and operational efficiency improvement measures and raise our profit levels.



### Future initiatives

#### Participation in new bridge projects and large-scale expressway renovation projects

Construction projects are growing in scale and difficulty for both the new project and the maintenance markets. We believe that we are in a business environment where we can fully leverage our strengths – our advanced technical capabilities and our extensive experience as well as track record – so we are actively participating in projects. The construction industry as a whole suffers from a labor shortage, and workstyle reforms are essential, so we are using ICT focused on reducing worksite operation workloads. We are also developing technologies with an eye toward using them in large-scale, high difficulty construction projects.

# Results by Business Segment (1)

**New construction-related sales, which were low last fiscal year, rose significantly, while other sales fell year-on-year results**

(Million yen)

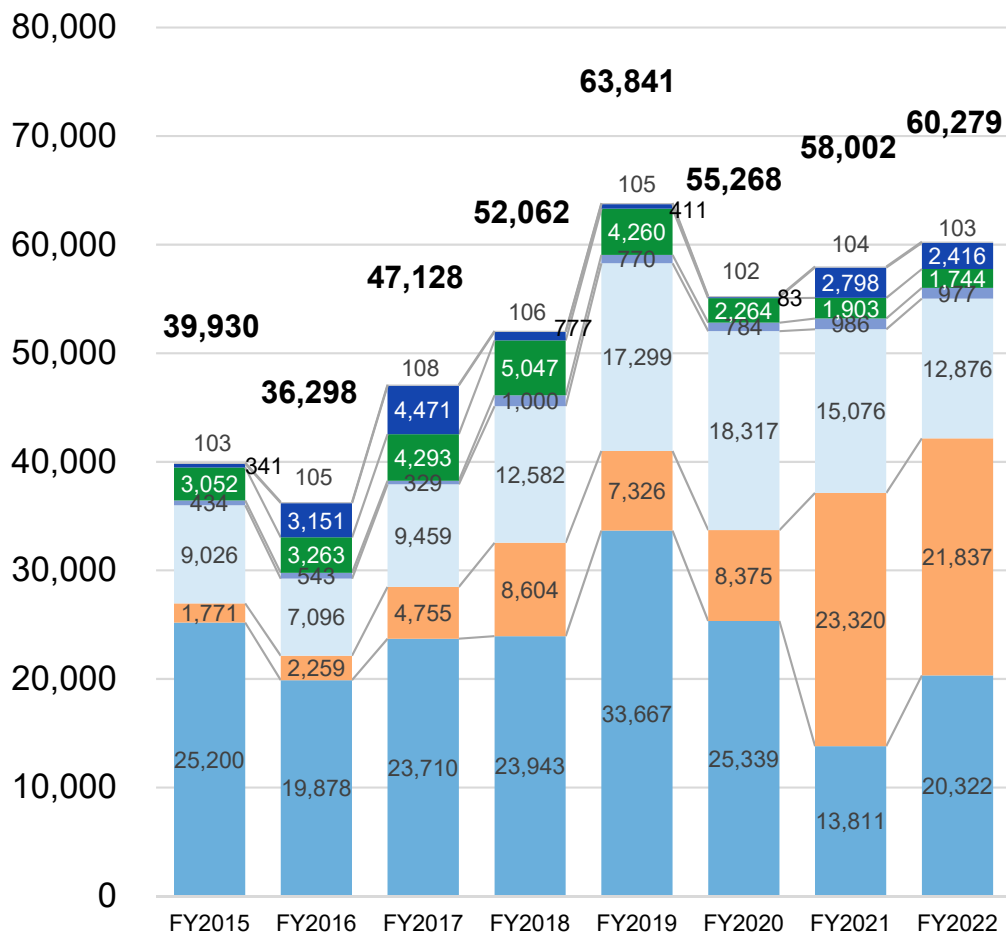
	Net sales					Orders received				
	FY2020	FY2021		FY2022		FY2020	FY2021		FY2022	
	Results	Results	Vs. PY	Results	Vs. PY	Results	Results	Vs. PY	Results	Vs. PY
<b>Total</b>	55,268	58,002	4.9%	60,279	3.9%	70,695	63,974	-9.5%	66,650	4.2%
<b>New construction</b>	25,339	13,811	-45.5%	20,322	47.1%	17,432	28,279	62.2%	24,235	-14.3%
<b>Large-scale renovation and maintenance</b>	8,375	23,320	178.4%	21,837	-6.4%	35,981	16,546	-54.0%	14,489	-12.4%
<b>Railroads</b>	18,317	15,076	-17.7%	12,876	-14.6%	11,628	13,949	20.0%	16,475	18.1%
<b>FRP, other</b>	784	986	25.7%	977	-0.9%	861	1,076	25.0%	801	-25.6%
<b>Buildings with large interior spaces and special buildings</b>	2,264	1,903	-16.0%	1,744	-8.4%	2,273	2,398	5.5%	1,792	-25.3%
<b>Coastal structures</b>	83	2,798	3,259.8%	2,416	-13.7%	2,415	1,618	-33.0%	8,752	440.8%
<b>Solar power generation</b>	102	104	1.7%	103	-1.3%	102	104	1.7%	103	-1.3%

- ◆ Sales for new construction-related projects were ¥20,322 million due to projects such as the Ebie area steel girder and steel pier construction project
- ◆ Sales for large-scale renovation and maintenance-related projects were ¥21,837 million due to projects such as Bridge renovation project between Suita Junction and Ikeda Interchange
- ◆ Orders received amounted to ¥24,235 million in new construction-related projects such as the Kamase Bridge, which was swept away by the by the flooding of the Kuma River due to the heavy rain in July 2020
- ◆ Orders received amounted to ¥16,475 million in railroad-related projects such as the Hokkaido Shinkansen Shiribetsu River Bridge project

# Results by Business Segment (2)

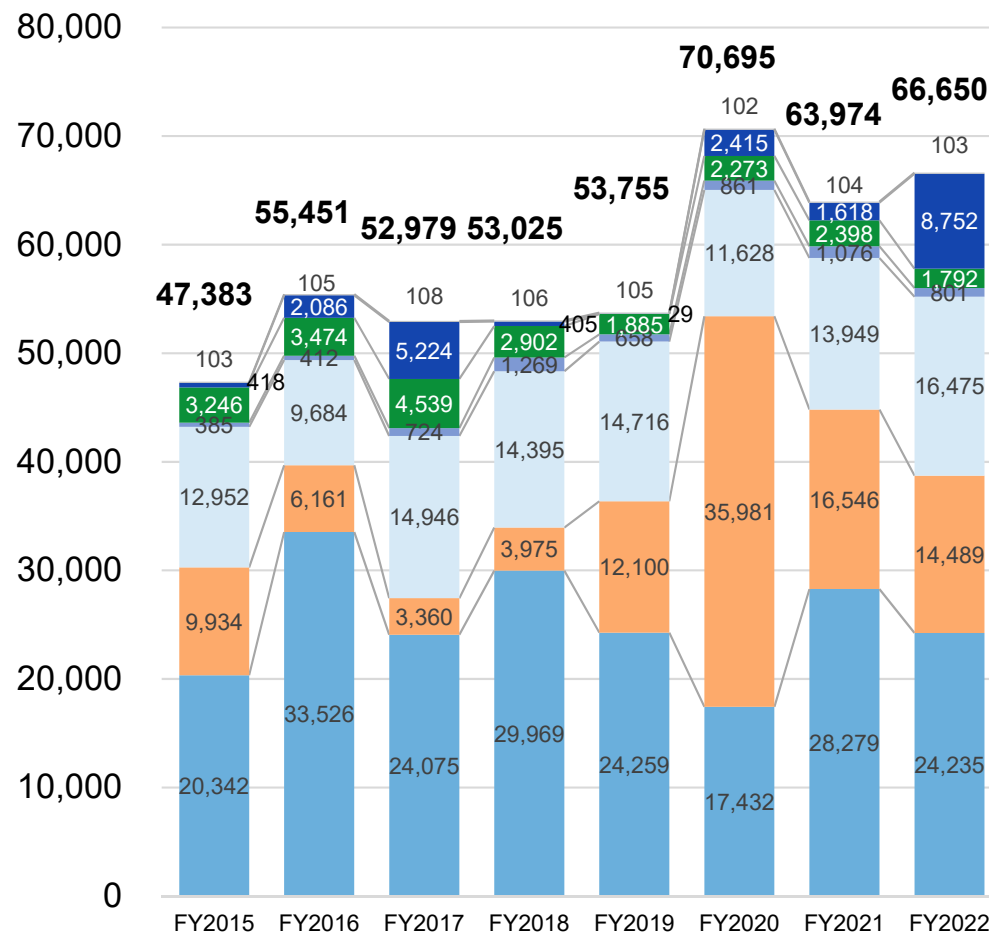
Net sales trends

(Million yen)



Orders received trends

(Million yen)



■ New construction ■ Large-scale renovation and maintenance ■ Railroads ■ FRP, other ■ Buildings with large interior spaces and special buildings ■ Coastal structures ■ Solar power generation

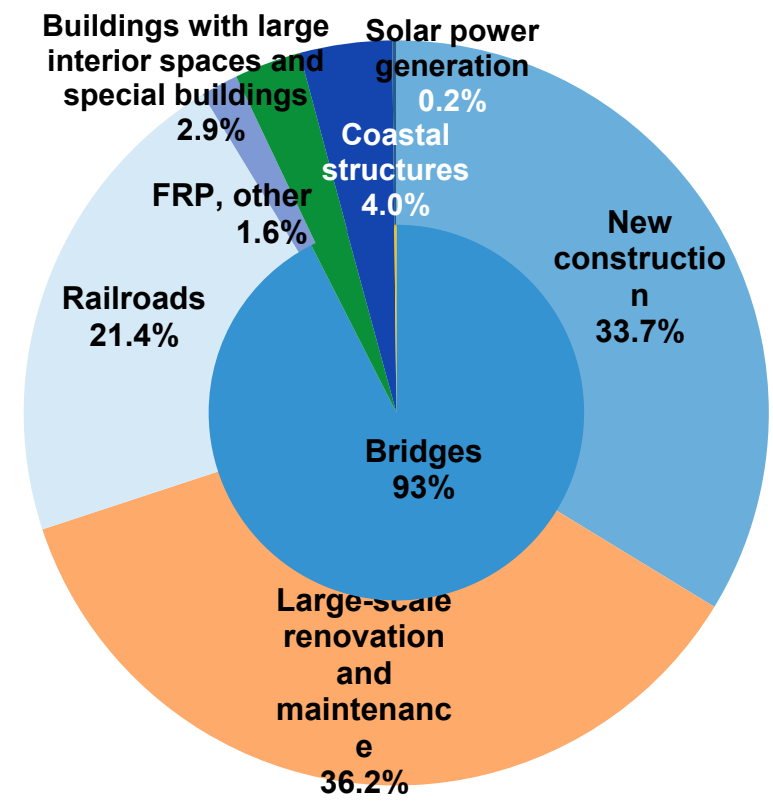
# Results by Business Segment (3)

**Industry-leading comprehensive bridge construction and engineering company.**

We provide integrated design, manufacturing, construction planning, and construction for steel bridges, including long-span bridges, structures with large internal spaces, such as towers and domes, and coastal structures.

<b>Bridges</b>	<b>New construction</b>	Design, manufacturing, construction planning, and engineering of new bridges, including large-scale projects
	<b>Large-scale renovation and maintenance</b>	Large-scale renovation projects that use the latest technologies to restore the structures of expressways to a level of performance and functionality equivalent to or exceeding those of the expressways when they were newly constructed. Design, manufacturing, construction planning, and engineering for existing bridge repairs, widening, post-disaster restoration, removal, replacement, etc.
	<b>Railroads</b>	Design, manufacturing, construction planning, and engineering for railway bridges spanning rivers and roads, and bridges over railways, which require advanced technical capabilities
	<b>FRP, other</b>	Sale and operation contracting related to products developed in-house and patented technologies such as inspection Access Way and panels made with FRP
	<b>Buildings with large interior spaces and special buildings</b>	Construction planning and engineering for high-rise towers such as Tokyo Skytree and domes such as Es Con Field Hokkaido
	<b>Coastal structures</b>	Design and manufacturing of immersed steel tube tunnels, caissons, jackets, floating breakwaters, and other structures that require specialized design technology capabilities
	<b>Solar power generation</b>	Solar power generation using the grounds of a former factory

**FY2022 Sales composition by business segment**



# Balance Sheet and Cash Flows

We have secured necessary financial stability in order to achieve our Medium-term Business Plan

## Main balance sheet items

(Million yen)

	March 31, 2021	March 31, 2022	March 31, 2023
<b>Total assets</b>	<b>60,738</b>	<b>61,815</b>	<b>63,051</b>
<b>Current assets</b>	<b>41,219</b>	<b>42,056</b>	<b>43,185</b>
<b>Non-current assets</b>	<b>19,518</b>	<b>19,759</b>	<b>19,866</b>
<b>Property, plant and equipment</b>	<b>12,914</b>	<b>12,756</b>	<b>12,968</b>
<b>Intangible assets</b>	<b>305</b>	<b>336</b>	<b>372</b>
<b>Investments and other assets</b>	<b>6,297</b>	<b>6,666</b>	<b>6,524</b>
<b>Total liabilities</b>	<b>25,731</b>	<b>22,724</b>	<b>21,483</b>
<b>Current liabilities</b>	<b>20,656</b>	<b>18,150</b>	<b>17,395</b>
<b>Non-current liabilities</b>	<b>5,075</b>	<b>4,574</b>	<b>4,087</b>
<b>Total net assets</b>	<b>35,006</b>	<b>39,091</b>	<b>41,568</b>
<b>Total net assets</b>	<b>25,236</b>	<b>28,097</b>	<b>29,812</b>
<b>Accumulated other comprehensive income</b>	<b>4,910</b>	<b>5,282</b>	<b>5,695</b>
<b>Non-controlling interests</b>	<b>4,859</b>	<b>5,710</b>	<b>6,059</b>

Cash flows from operating activities and the year-end cash balance fell due to an increase in trade receivables and a decrease in trade payables

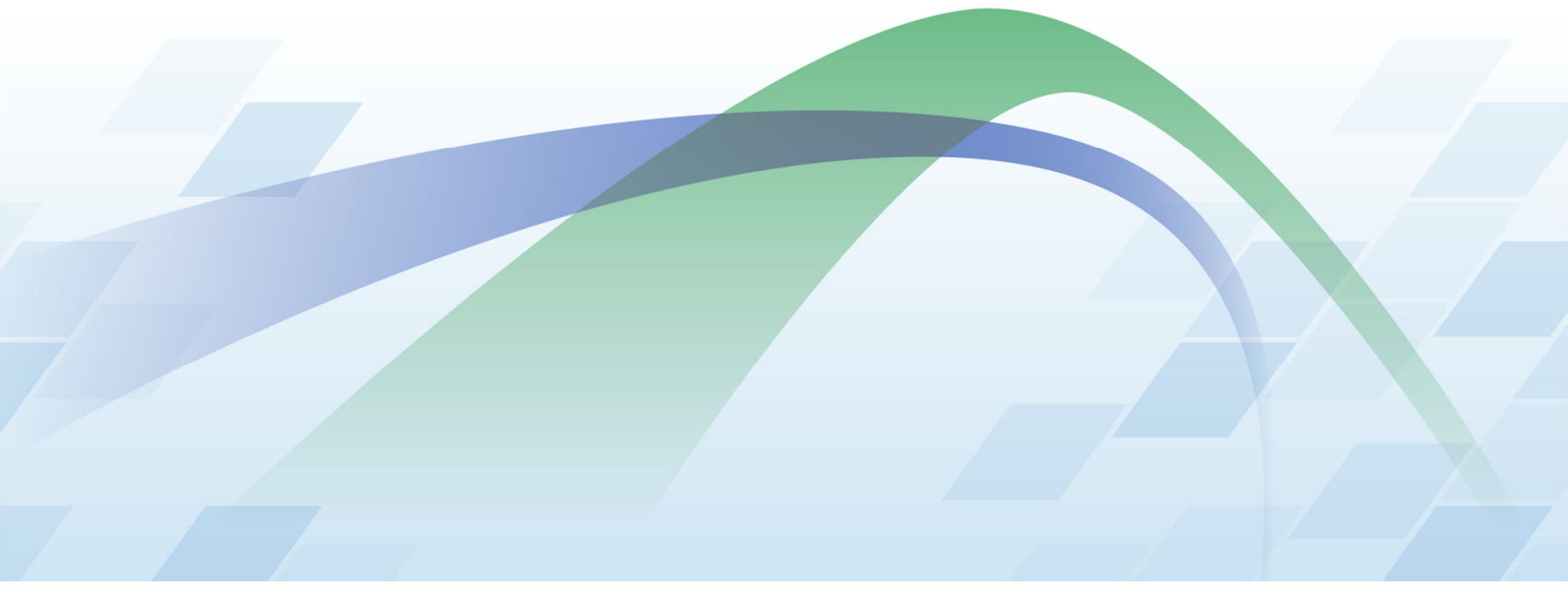
## Main cash flow statement items

(Million yen)

	FY2020	FY2021	FY2022
<b>Cash flows from operating activities</b>	<b>1,094</b>	<b>11,915</b>	<b>495</b>
<b>Cash flows from investing activities</b>	<b>(2,587)</b>	<b>(1,185)</b>	<b>(711)</b>
<b>Cash flows from financing activities</b>	<b>(1,741)</b>	<b>(3,267)</b>	<b>(2,147)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(3,234)</b>	<b>7,462</b>	<b>(2,363)</b>
<b>Cash and cash equivalents at end of period</b>	<b>8,516</b>	<b>15,979</b>	<b>13,615</b>



## II. Forecast for FY2023



# Key Topics for FY2023

- ◆ We must pay close attention to the risk that a downturn in overseas economies could put downward pressure on the Japanese economy, and also to the effects of rising prices, supply-side constraints, volatility in financial and capital markets, and other factors.
- ◆ Despite these circumstances, in the bridge business segment, the expected orders for FY2023 are ¥280.0 billion (based on our estimate) for new construction-related projects and ¥320.0 billion (based on our estimate) for large-scale renovation and maintenance-related projects.
- ◆ Orders received for large-scale expressway renovation projects are expected to remain steady at a project size of approximately ¥7 trillion. Furthermore, we also expect to see highly difficult, large-scale projects move forward, creating a business environment in which the Group can be expected to make major advances in the medium term.
- ◆ By reinforcing our Group management structure, we will solidify our business foundation, allocate our management resources, use technology development and DX to improve productivity, and train our human resources, thereby working towards the achievement of our Medium-Term Business Plan.

# Forecast for FY2023

Due in part to the carry-over of sales from the previous year, we expect sales, operating profit, and ordinary profit to increase significantly  
We are also working hard to set a new record high for orders received

(Million yen)

	FY2021	FY2022		FY2023	
	Results	Results	Vs. PY	Results	Vs. PY
Net sales	58,002	60,279	3.9%	69,000	14.5%
Operating profit	5,810	5,128	-11.8%	6,600	28.7%
Ordinary profit	5,992	5,374	-10.3%	6,700	24.6%
Profit attributable to owners of parent	3,406	3,077	-9.7%	3,500	13.7%
Annual dividend per share (yen)	140	140	-	180	-
				Ordinary dividend 160 Commemorative dividend 20	
Return on equity (ROE)	10.7%	8.9%	-	9.6%	-
Orders received	63,974	66,650	4.2%	93,300	40.0%
Order backlog	94,286	100,658	6.8%	124,900	24.1%

# III. Medium-Term Business Plan Progress



# Vision and Business Strategies

## Vision for 2026

**We will maintain our position as one of the industry's finest comprehensive engineering companies, excelling at fabrication and engineering, including partner companies led by some of Japan's leading scaffolding teams with advanced skills and capabilities backed by extensive experience. We will further strengthen coordination within our Group, improve both the quality and quantity of management resources, enhance our competitiveness, and participate in large scale construction projects that contribute to the enrichment of society. Through these efforts, we will increase both our revenue and our profits, increasing our corporate value through sustained growth.**

## Key strategies

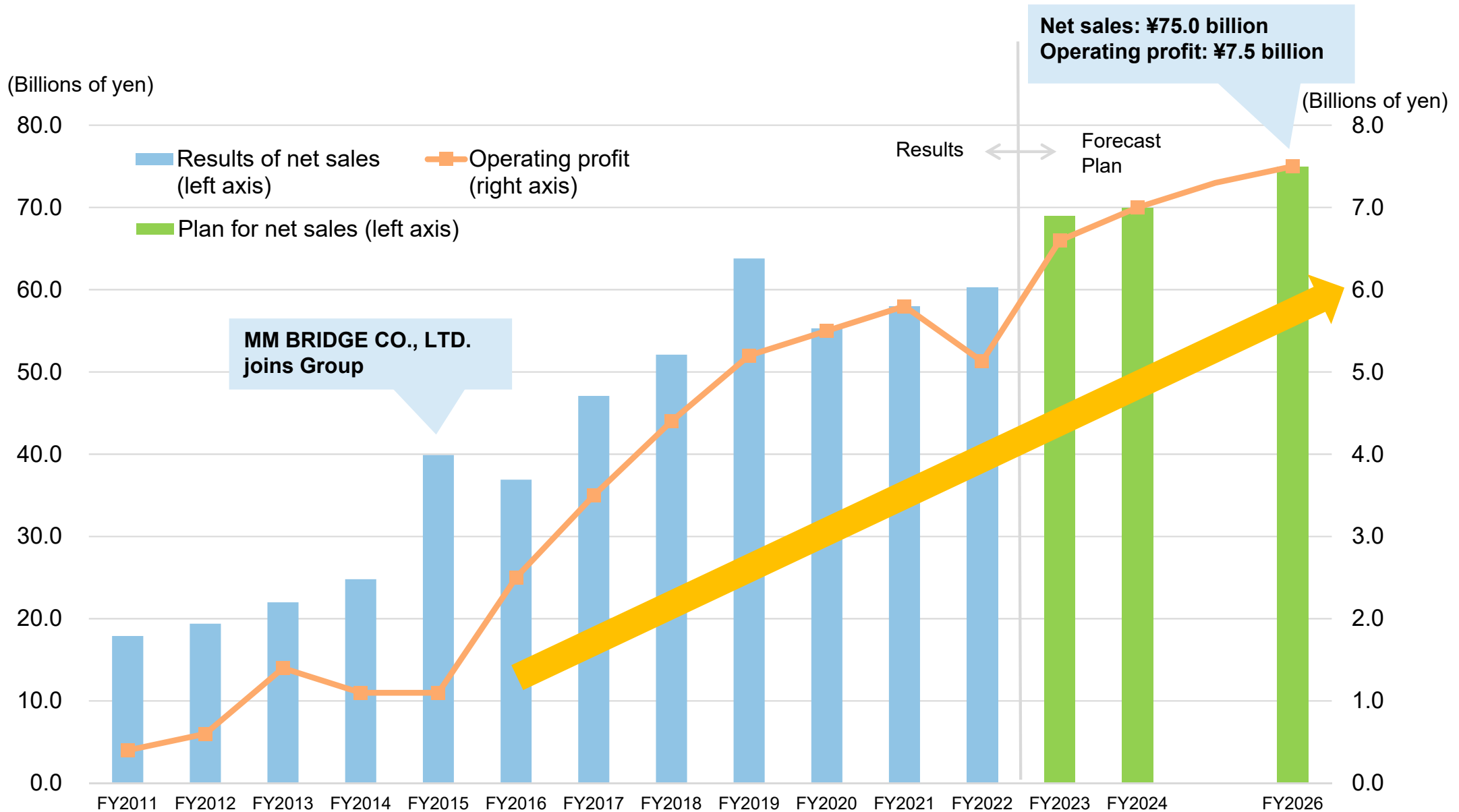
- 1) Participate in new, large-scale bridge projects**
- 2) Expand scale of activities in large-scale expressway renovation projects**
- 3) Work on high-difficulty private sector construction projects**
- 4) Enhance technology development**
- 5) Engage in capital investment aimed at growing business and improving efficiency**
- 6) Strengthen alliances**
- 7) Expand sales of products developed in-house**
- 8) Implement ESG measures**

# Progress toward Quantitative Targets

(Million yen)

	FY2021	FY2022		FY2023	FY2024	FY2026
	Results	Target	Results	Forecast	Target	Target
Net sales	58,002	65,000	60,279	69,000	70,000	75,000
Operating profit	5,810	5,500	5,128	6,600	7,000	7,500
Ordinary profit	5,992	5,500	5,374	6,700	7,000	7,500
Profit attributable to owners of parents	3,406	3,000	3,077	3,500	3,800	4,000
Equity ratio	54.0%	55% or more	56.3%	57.5%	55% or more	
Return on equity (ROE)	10.7%	10% or more	8.9%	9.6%	10% or more	
Return on assets (ROA)	9.8%	10% or more	8.6%	10.4%	10% or more	

# Net Sales and Operating Profit: Results and Plan



# Status of Key Strategies

Key strategy	Progress evaluation	Progress status	
1) Participate in new, large-scale bridge projects	○	Technical study workshops are being conducted regarding manufacturing and installation in preparation for participation in the major project of constructing a new bridge in the western extension of the Wangan (Osaka Bay) Route of the Hanshin Expressway.	Projects where we can fully leverage MEG's strengths, including both the quality and volume of its management resources
2) Expand scale of activities in large-scale expressway renovation projects	◎	We have secured preferential negotiating rights for multiple large-scale renovation and maintenance projects through technical proposals and price negotiations, and we are currently working on designs. We are also deliberating regarding technical proposals in order to take part in multiple other projects.	
3) Work on high-difficulty private sector construction projects	◎	We are currently carefully considering technical proposals for specific projects in the area of high-difficulty construction in private-sector projects (railroads, buildings with large interior spaces and special buildings and coastal structures-related projects), where our advanced technical capabilities have been evaluated highly.	
4) Enhance technology development	○	We are engaging in joint development with ICT companies, DX companies, and manufacturers, implementing operation improvements.	
5) Engage in capital investment aimed at growing business and improving efficiency	△	In addition to our plant facility renovation work, we also began renovating our equipment center, but due to factors such as the COVID-19 pandemic, progress is behind overall.	
6) Strengthen alliances	○	We have also created an industry-spanning JV with a general contractor and acquired preferential negotiating rights for major renovation and maintenance-related projects we have bid on. We are currently in bidding for other projects as well through the industry-spanning JV.	
7) Expand sales of products developed in-house	○	Our FRP-RC composite slab have been used in large-scale NEXCO project proposals. We have also established a track record of use of our MS-R system (slab removal method).	
8) Implement ESG measures	○	We have defined ESG-based materiality and are reinforcing our activities under the leadership of the Sustainability Committee.	



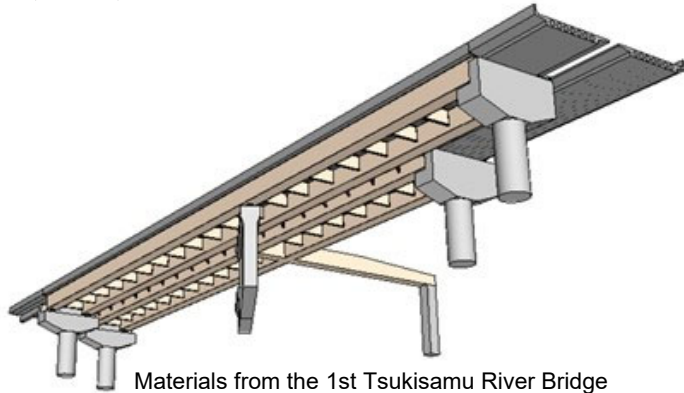
# Progress status of measures

**We have secured preferential negotiating rights through technical proposals and price negotiations, and we are currently working on designs in large-scale JV projects.**

## Design work of the DO-o Expressway, bridge renewal in Kitago

Client: East Nippon Expressway Company Limited Hokkaido Regional Head Office

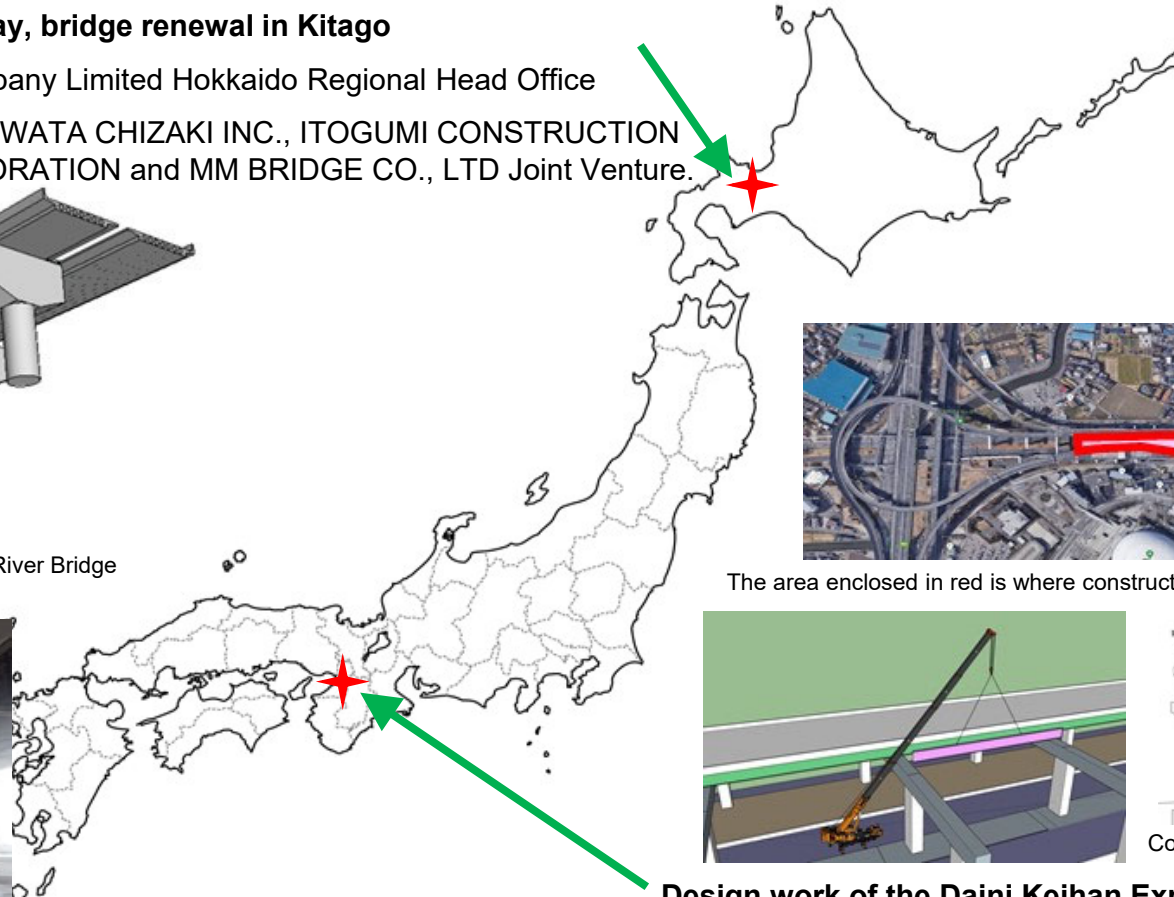
Contractor: TAISEI CORPORATION, IWATA CHIZAKI INC., ITOGUMI CONSTRUCTION CO., LTD., KYOKUTO KOWA CORPORATION and MM BRIDGE CO., LTD Joint Venture.



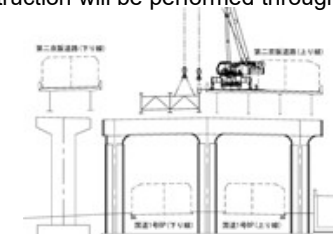
Materials from the 1st Tsukisamu River Bridge deliberation session



Photo of current state of site



The area enclosed in red is where construction will be performed through this project



Construction plan diagram

## Design work of the Daini Keihan Expressway Kadoma East viaduct (superstructure of steel bridge)

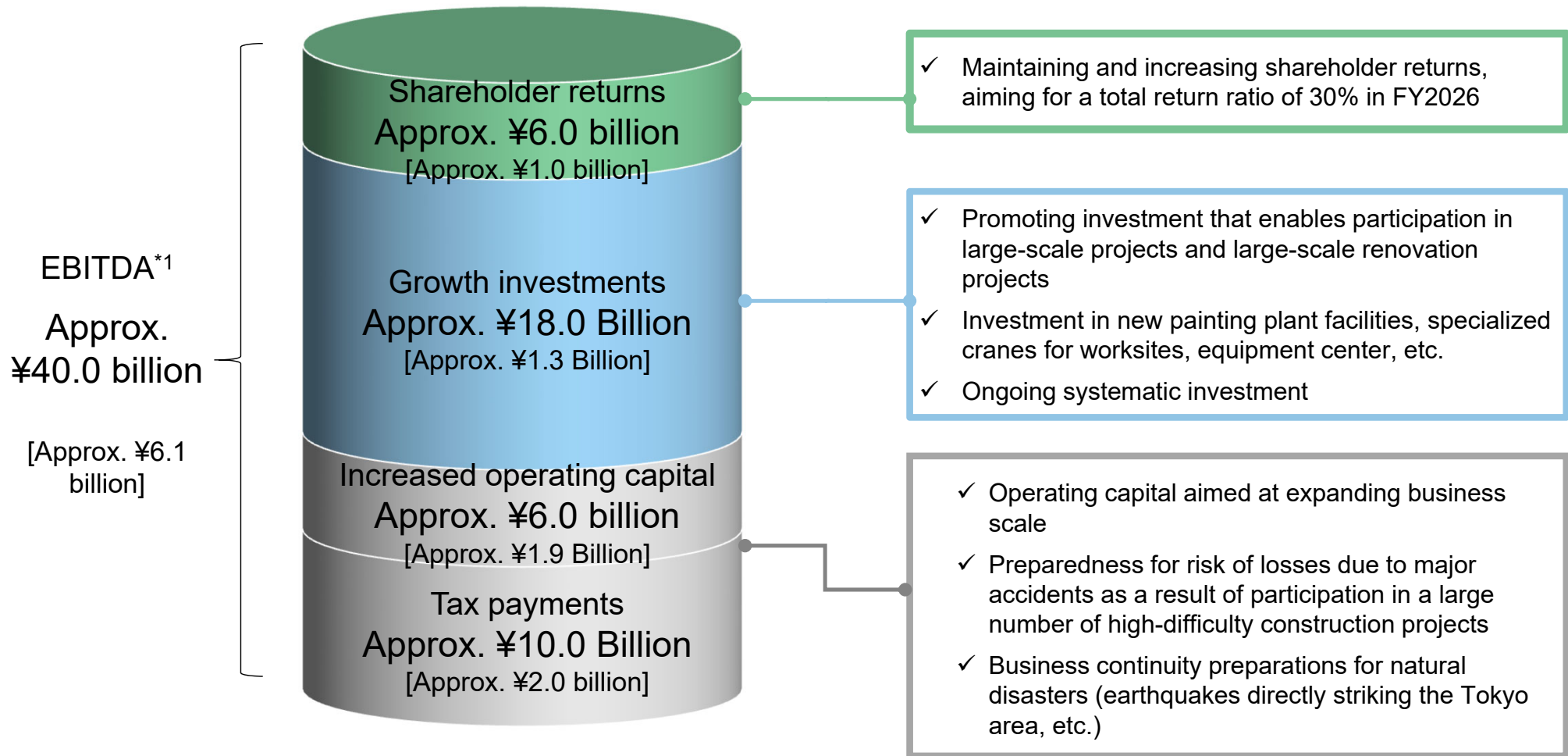
Client: West Nippon Expressway Company Limited Kansai Branch

Contractor: MIYAJI ENGINEERING GROUP, INC. and MM BRIDGE JV CO., LTD.

# Capital Strategy

- We will increase our capital to some degree and invest in growth as we strive to maintain and increase our shareholder returns.

Total for FY2022 to FY2026



\*1 Earnings Before Interest Taxes Depreciation and Amortization

(Note) Numbers in [ ] are results from FY2022

# Investment Strategy

		Investment forecast for next five years	Results for FY2022	Progress status
Production capacity efficiency improvement and optimization	Yard improvement and space utilization efficiency improvement	¥0.5 billion	¥10 million	Manufactured components were stored on rented grounds outside the factory. We were able to reduce the amount of land rented for storage to 1/3 of previous levels by making storage area improvements and increasing efficiency.
	Rebuilding of painting plant	¥2.0 billion	¥0.16 billion	Through improvements to the efficiency of our painting operations, we eliminated overall process bottlenecks and improved painting operation efficiency by 30%.
	Updating and repair of plant equipment, seismic reinforcement of buildings	¥7.0 billion	¥0.2 billion	We plan to continue replacing equipment such as large cranes
	New office building construction	¥2.5 billion	¥0 billion	We are revising plans based on the impact of factors such as soaring prices with an eye toward implementation before the end of the Medium-Term Business Plan period
	Equipment Center renovations	¥1.0 billion	¥0.55 billion	We have begun seismic improvement construction work, to be finished by 2024, so that the center can be used as a material dispatching site in the event of a disaster.
	Equipment Center equipment replacement	¥2.0 billion	¥0.22 billion	We are adding and updating our strategic equipment so that we can participate in large-scale renovation and maintenance-related projects and large-scale projects
Business portfolio expansion and optimization	New business development	Envisioned as being between	¥0.17 billion	We are constantly obtaining and considering M&A information. We are engaging in joint development with ICT companies, DX companies, and manufacturers, implementing operation improvements.
Reinforce comprehensive engineering functions	M&As	¥3.0 to 5.0 billion		
	Technology development			
<b>Total growth investment</b>		<b>Envisioned as being between ¥18.0 to 20.0 billion</b>		

# Dividend Policy

We have secured profit attributable to owners of parent by implementing growth strategies

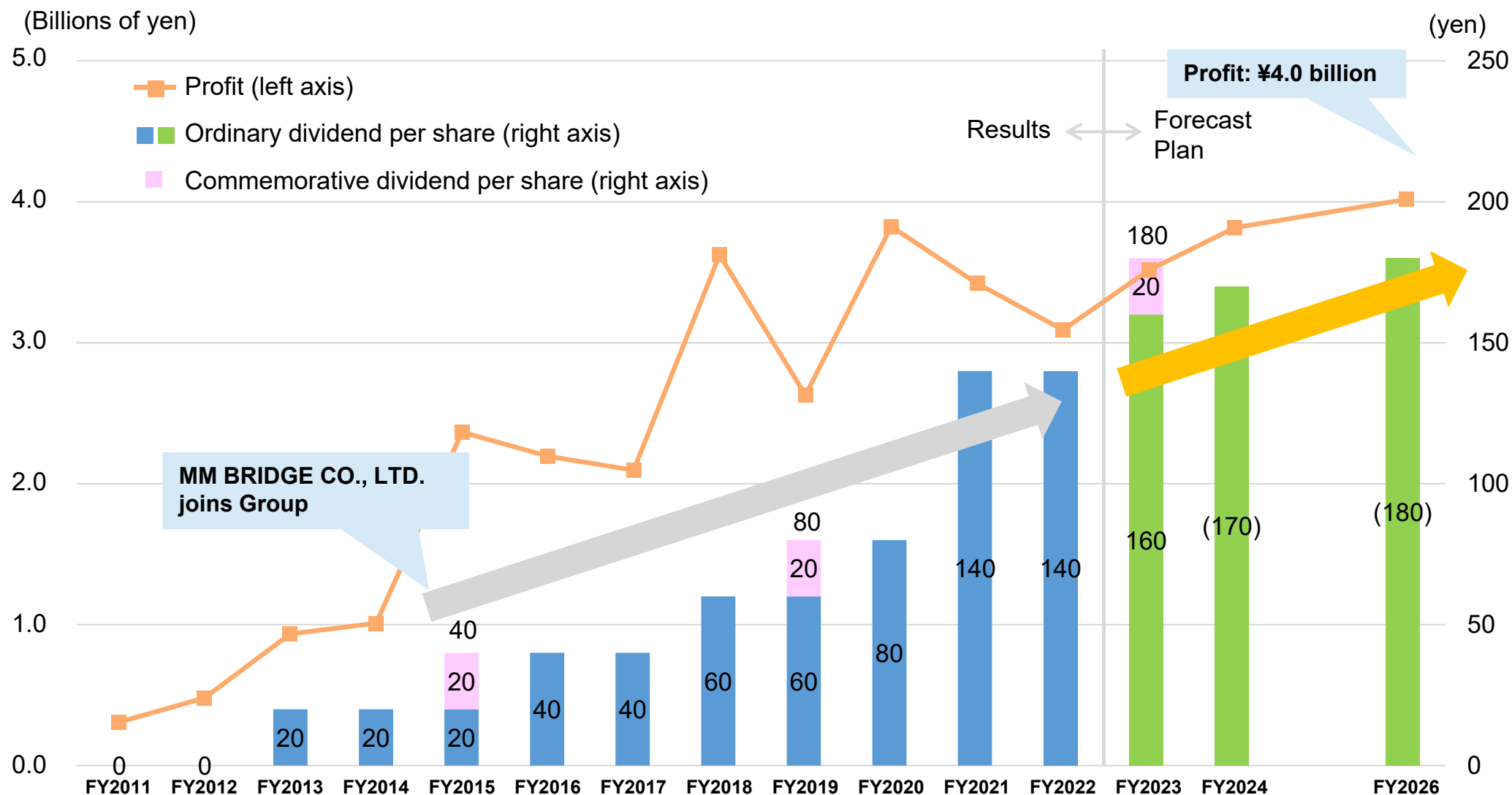
(Million yen)

	FY2021	FY2022		FY2023	FY2024	FY2026
	Results	Target	Results	Forecast	Target	Target
Net sales	58,002	65,000	60,279	69,000	70,000	75,000
Operating profit	5,810	5,500	5,128	6,600	7,000	7,500
Ordinary profit	5,992	5,500	5,374	6,700	7,000	7,500
Profit attributable to owners of parent	3,406	3,000	3,077	3,500	3,800	4,000
Dividend per share (yen)	140	140	140	180 <small>Ordinary dividend 160 Commemorative dividend 20</small>	(170)	(180)

We appropriately control equity levels and pay due care with respect to capital efficiency, such as by providing dynamic returns to shareholders when business is performing strongly

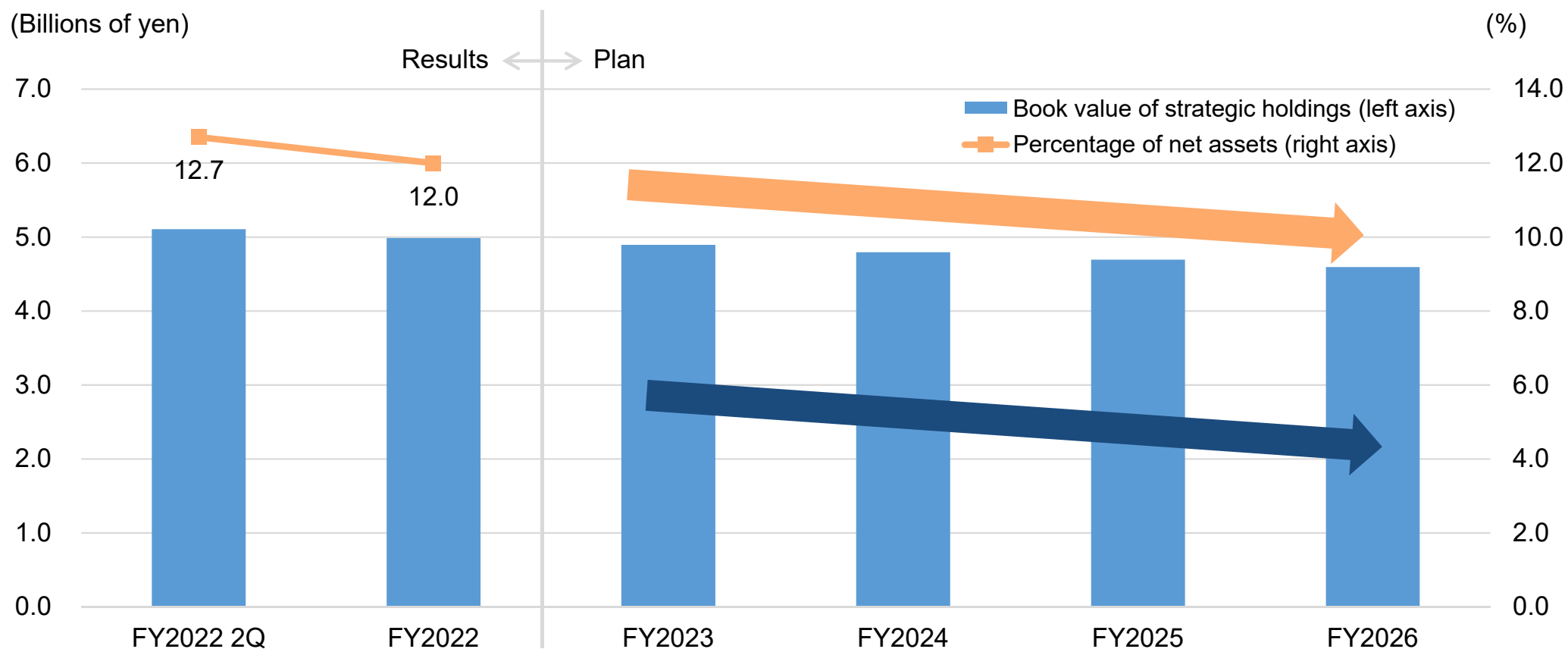
# Profit and Dividends: Results and Plan

**We will engage in strategic growth and continuously maintain and increase our dividends.**



# Strategic Holding Reduction Policy

During the period covered by the medium-term plan, the book value of strategic holdings is expected to be reduced to 10% or less of net assets.



- ◆ We sold strategic holdings with a book value of ¥210 million in the fiscal year ended March 31, 2023
- ◆ Book value rose due to climbing stock value, but the ratio of strategic holdings to net assets fell steadily

## Promoting technology development and DX strategies based on our Medium-term Business Plan

### Technology development

Our Group's long-term strategies consist of “expanding our initiatives related to long-span bridges and large-scale, high difficulty construction projects” and “promoting activities for taking on new businesses and new business fields.” We develop technologies based on these strategies. For bridges, in particular, the larger the scale of the project the greater the demands for wind and seismic resistance. Construction work performed in urban areas involves various constraints, such as traffic restrictions, so we have developed technologies that assist us with dealing with these constraints. In our efforts to promote activities for taking on new businesses and new business fields, we are developing technologies related to floating breakwaters, which contribute to the expansion of areas suited for fish-farming in fishing ports and the like.

#### Wind resistance testing technologies: the wind tunnel test facilities and the large-size exciter

For special bridges and large bridges, in particular, bridge vibration characteristics must be accurately determined in order to ensure safety in the event of strong winds or earthquakes. With the support of the Mitsubishi Heavy Industries, Ltd.'s Research and Innovation Center, which has one of the nation's largest wind tunnel test facilities, we are able to perform wind resistance testing, such as wind tunnel testing, with an even higher level of accuracy. Our own large-size exciter also enables us to assess vibration characteristics of actual bridges when subject to major vibration. We have used these technologies to solve problems which other companies have difficulty investigating.



large-scale motion exciter

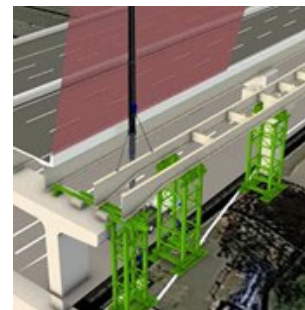
### DX strategies

The construction industry is facing challenges such as the rising age of construction workers and personnel shortages. This is creating a need for the improvement of worksite productivity, the prevention of long working hours, and the succession of construction techniques.

By promoting construction DX through i-Construction, we are working to save labor and improve productivity, and also transform work processes and workstyles, and pass on construction know-how by utilizing digital technologies and data.

#### Improving worksite efficiency and safety by leveraging Mixed Reality (MR) technologies

We use 3D models to perform construction simulations and investigate construction methods in advance, optimizing them to improve both safety and productivity. Furthermore, we combine 3D data and actual locations to visualize work procedures, thereby providing inexperienced construction personnel with a better understanding of construction methods.



construction simulations



Combining virtual and real spaces

# ESG and SDG Measures (1)

## Group SDG initiatives

### Responding to natural disasters as a team of steel structure specialists

- ◆ Great Hanshin-Awaji Earthquake – Rokkomichi Station  
-Reconstruction was expected to take two years, but was completed in just 74 days
- ◆ Great East Japan Earthquake - Tohoku Shinkansen  
-A Shinkansen elevated bridge that was laterally shifted was restored in three months
- ◆ Kumamoto Castle five-story lidamaru Tower collapse prevention mechanism  
-Prevented collapse through use of arm-type supports

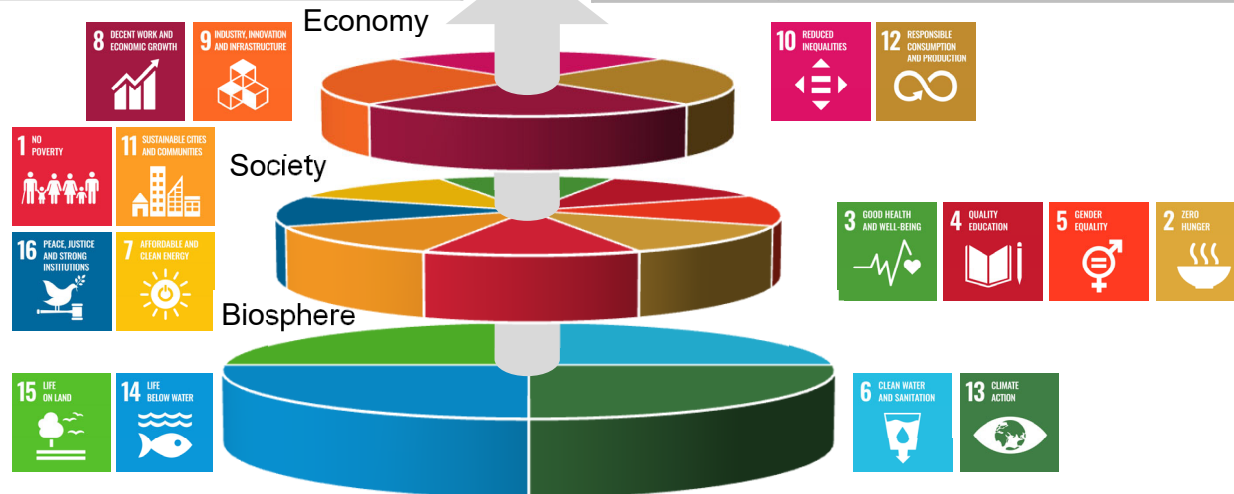
### Personnel development and diversity promotion

- ◆ Promotion of advancement of female employees  
-Active support for the advancement of female employees in welding, design, and other positions  
-Active appointment of female employees to management positions such as line chief positions
- ◆ Creation of comfortable workplaces for employees  
-System for temporary resignation in order to provide nursing care, etc., providing support to encourage employees who have temporarily resigned to return (employees can return to roles based on job performance evaluations performed before they resigned)
- ◆ Employee capability development support  
-University graduate school study abroad system for encouraging employees to get master's degrees and PhDs



### Environmental Initiatives

- ◆ Solar power plant on grounds of former Matsumoto Plant  
-Cut CO<sub>2</sub> emissions by 469,858 kg per year
- ◆ Coral protection using coastal structure technology  
-Developed coral growth support technologies using electric protection



### Creation and improvement of Corporate Governance Structure

- ◆ In June 2021, The Group transformed into a company with an Audit and Supervisory Committee, established Nomination and Compensation Committee
- ◆ In June 2022, MEG reduced the number of Directors to seven, changing to a structure in which four of the Directors (over half) are Outside Directors

### Enhancement of dialogue with shareholders and investors

- ◆ Established IR Office in April 2021
- ◆ Expanded opportunities for dialogue with shareholders and investors, including financial results briefings
- ◆ Expanded opportunities for one-on-one dialogue with investors



# ESG and SDG Measures (2)

## MEG's human resource initiatives

### Basic policy

Like other industries, the construction industry is also struggling with the challenges posed by personnel shortages resulting from the declining birth rate, the graying of society, and the shrinking of the working age population. To maintain sustainable growth, it is important that we create workplace environments that produce innovation and that we hire and train our human resources. The MIYAJI ENGINEERING GROUP (MEG) train human resources to create new value and systematically engages in initiatives aimed at securing the human resources we need to achieve this. We strive to pass on and improve our technologies, skills, knowledge, and critical corporate culture as we seek to achieve sustainable growth for our entire Group.

#### [Promoting diversity]

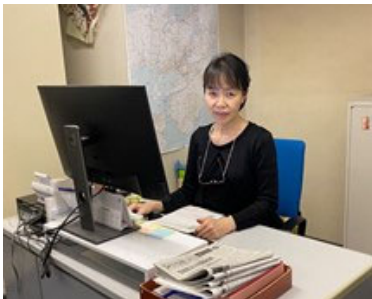
MEG believes that the active participation of people with diverse backgrounds is essential for sustainable corporate growth and development. MEG has long set measurable targets related to the promotion of personnel with attributes set forth in the Corporate Governance Code. We have also made revisions to avoid taking an excessively results-focused approach in order to ensure that we can respond to changes in the business environment flexibly. In our approach, all employees are evaluated based on common standards (effort and, in the case of management personnel, management capabilities). We have defined a Charter of Corporate Behavior and a Code of Conduct to serve as guideposts, and we maintain environments in which all employees, including women, non-Japanese employees, and mid-career hires, can reach their full potential. The hiring and promotion of female employees and foreign employees is a task that the construction industry must actively carry out. We are actively hiring women not only for administrative positions but also engineer and operator positions, developing them into powerful human resources. We are also actively hiring and promoting foreign employees because reflecting the sensibilities of other cultures provides major benefits in the form of invigorating the company and transforming the mentalities of people within it.

<Chikako Murashima / MIYAJI ENGINEERING GROUP,INC.>

In April, I was appointed as MEG's first female Full-time Senior General Manager, so the responsibilities I bear will be heavier than ever. I will do my utmost not only to promote the further advancement of women in the workplace, but also to create an environment that is welcoming to all employees, such as by enabling all employees, men and women alike, to engage in work while accommodating their living environment needs, such as their childcare or nursing needs.

<Chieko Doi / MM BRIDGE CO., LTD. >

As a member of the Safety & Quality Assurance Division, which is vital to the protection of safety and security throughout the company, I am responsible for confirming worksite and office safety and managing the health of employees. I will continue to work to protect the safety and security not only of employees, but of everyone in our partner companies as well.



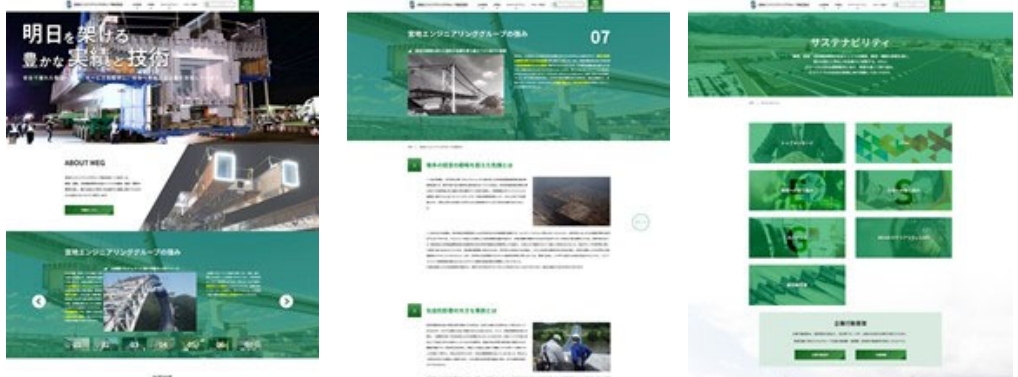
## Enhancement of dialogue with shareholders and investors

### Publication of our integrated report



- ◆ On May 22, 2023, we published our integrated report (posted on our website)
- ◆ The integrated report discloses not only financial information, but also non-financial information, such as information regarding value creation processes, strengths, and materiality
- ◆ From next year on, we plan to issue this report every September

### Website redesign



- ◆ On April 3, 2023, we launched our completely redesigned website
- ◆ We have greatly increased the amount of information we provide on the topics of IR and sustainability
- ◆ In conjunction with this, we have also posted information about our Group's history, track record, and strengths

### Enrichment of disclosed English language material



- ◆ On May 22, 2023, we launched the English version of our website
- ◆ We also began releasing English language versions of our earnings summaries, General Meeting of Shareholders convocation notices, financial briefing materials, and more
- ◆ We are deliberating how to further expand our English language offerings in the future

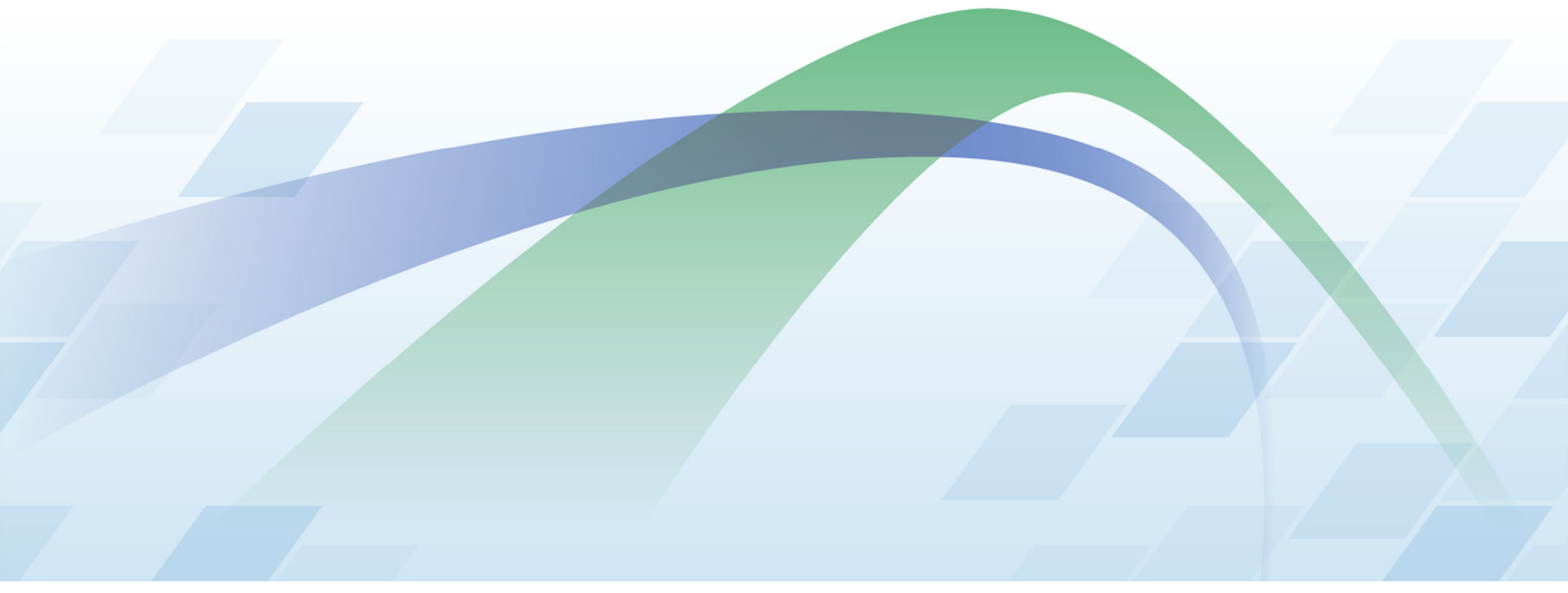
◆ **Important notes regarding forward-looking statements**

**The information presented in this document is intended to serve solely as reference information for investors. It is not intended as solicitation. Forward-looking statements within this document are based on targets and forecasts, and do not represent guarantees or assurances. Please be aware that future business performance may differ from our current future forecasts.**

◆ **Investor relations inquiries**

**Setoi, Endo and Hiraoka  
Group Planning and Management Division  
MIYAJI ENGINEERING GROUP, INC.  
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TEL: +81-3-5649-0111  
E-mail: [meg.IR@miyaji-eng.co.jp](mailto:meg.IR@miyaji-eng.co.jp)**

# IV. Appendix



## < About MEG >

Contributing to the enrichment of our nation and the creation of a brighter society through the construction, maintenance, and repair of societal infrastructure such as bridges, buildings, and coastal structures.

## About MEG (2/4)

Our Group business companies MIYAJI ENGINEERING and MM BRIDGE both primarily focus on the manufacturing and construction of bridges as contracted by government agencies such as the Ministry of Land, Infrastructure, Transport and Tourism and expressway management companies.



**Our industry is one of engaging in business based on orders placed by clients, and the volume of orders placed is directly impacted by the amounts budgeted by government offices for road infrastructure investment.**

Public works projects are decided on through bidding, so it is not possible to systematically receive orders.



**Normalizing order volume and conducting production systematically is difficult, so there can be profit/loss peaks and valleys.**

## About MEG (3/4)

- ◆ **Our main business segment, the new bridge segment,** began with the construction of the Metropolitan Expressway **Edobashi Bridge Junction**, which contributed significantly to the advancement of bridge technologies during Japan's period of rapid economic growth. We have **a track record of design and construction technologies used in long-span bridges** such as the **Kanmon Bridge** connecting Honshu and Kyushu; the **Akashi-Kaikyo Bridges** and other many Honshu-Shikoku Bridges; the **Kesenuma Bay Crossing Bridge**, which is a symbol of the recovery from the Great East Japan Earthquake; the **Tokyo Gate Bridge, Rainbow Bridge, and Yokohama Bay Bridge**, which offer spectacular night views of Tokyo Bay; and other famous bridges.
- ◆ **In the area of highly difficult bridge construction, such as the construction of bridges used by the Shinkansen and other rail lines,**  
**we have established a stellar reputation and earned the solid trust of our customers through our safe site construction, backed by the advanced technical capabilities we have refined over the years and the technical strengths of our teams of specialized engineers.**
- ◆ **The construction of special buildings and the design and manufacturing technologies used for special coastal steel structures require advanced technical capabilities backed by experience. Few companies outside our Group have these capabilities.**


## About MEG (4/4)

◆ Projects planned for the decade to come include **difficult, large-scale projects** such as **a expressway renewal project** with a budget said to be ¥7 trillion, the ¥500.0 billion long-span bridge in the western extension of the Wangan (Osaka Bay) Route of the Hanshin Expressway, and the No. 2 Kanmon Bridge (Shimonoseki-Kitakyushu Road). There are also upcoming projects such as a redevelopment project for a train terminal in the Tokyo area, continuous grade separation and elevation projects, special building construction projects, and large coastal steel structure construction projects. Our Group sees this as **an ideal business environment for achieving further success.**






# Company Profile



**MIYAJI ENGINEERING GROUP, INC.**

Ownership: 100% (consolidated)



**MIYAJI ENGINEERING CO., LTD. (MEC)**

Design, manufacture, erection, installation, maintenance, and repair of bridges, steel-framed buildings, and other steel structures; design and manufacture of pre-stressed concrete; manufacture and construction management of civil works projects; assembly of steel-framed structures, steel towers, and structures with large interior spaces

Ownership: 51% (consolidated)



**MM BRIDGE CO., LTD. (MMB)**

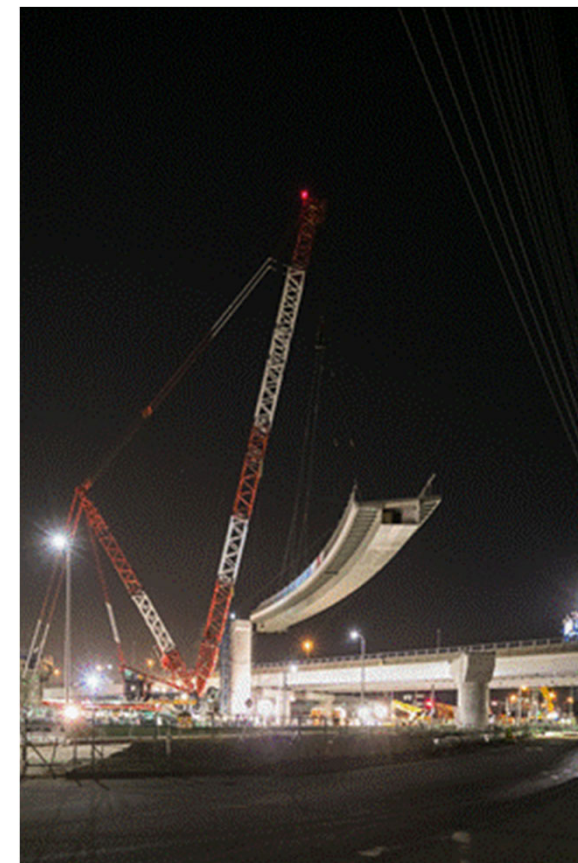
Design, manufacture, installation, sale, and repair of bridges and coastal structures, etc.

Ownership: 100% (non-consolidated)

**MG Corporation**

Design, manufacture, and erection of steel structures; sale of bolts and welding materials, etc.; personnel dispatching, and other business operations

Head office	9-19 Nihonbashi-Tomizawa-cho, Chuo-ku, Tokyo
Representative	Shigetoshi Aota, President and Representative Director
Founded	September 1908
Capital	¥3.0 billion
Consolidated net sales	¥60.3 billion (FY2022)



# Business Offices and Business Sites



MIYAJI ENGINEERING CO., LTD.  
Matsumoto Power Plant



MIYAJI ENGINEERING CO., LTD.  
Kurihashi Equipment Center



MM BRIDGE CO., LTD. Hiroshima Equipment Center

MM BRIDGE CO., LTD. Toyama Office

MIYAJI ENGINEERING CO., LTD.  
Hyogo Equipment Center

MM BRIDGE CO., LTD. Head Office  
MIYAJI ENGINEERING CO., LTD.  
Hiroshima Sales Office

MM BRIDGE CO., LTD. Nagasaki Office

MIYAJI ENGINEERING CO., LTD.  
Fukuoka Sales Office  
MM BRIDGE CO., LTD.

Kyushu Sales Office

MIYAJI ENGINEERING CO., LTD.  
Okinawa Sales Office

MIYAJI ENGINEERING CO., LTD.  
Sapporo Sales Office

MIYAJI ENGINEERING CO., LTD.  
Sendai Sales Office  
MM BRIDGE CO., LTD. Tohoku Sales Office

MM BRIDGE CO., LTD. Nasu Equipment Center



MIYAJI ENGINEERING CO., LTD. Chiba Works  
MM BRIDGE CO., LTD. Ichihara Works  
MG Corporation Head Office

MIYAJI ENGINEERING GROUP, INC. Head Office  
MIYAJI ENGINEERING CO., LTD. Head Office  
MM BRIDGE CO., LTD. East Japan Branch

MM BRIDGE CO., LTD. Yokohama Sales Office

MIYAJI ENGINEERING CO., LTD.  
Nagoya Sales Office

MM BRIDGE CO., LTD. Chubu Sales Office

MIYAJI ENGINEERING CO., LTD.  
Kansai Branch  
MM BRIDGE CO., LTD. West Japan Branch

# Major Past Projects (long-span bridges and highway bridges)

■ We have accrued sophisticated technical capabilities through our long track record of experience with high difficulty projects



Kanmon Bridge (1,068 m)  
 Erected using the pioneering successive rigid coupling technique  
 Japan Society of Civil Engineers "Tanaka Award"



Akashi-Kaikyo Bridge (3,991 m)  
 The world's largest suspension bridge at the time of its construction  
 Japan Society of Civil Engineers "Tanaka Award"



Tokyo Gate Bridge (2,618 m)  
 Japan's second-largest truss bridge  
 Japan Society of Civil Engineers "Tanaka Award"



Metropolitan Expressway Edobashi Junction  
 The most difficult part of the construction of the Metropolitan Expressway



Minato Bridge  
 Japan's largest truss bridge  
 Japan Society of Civil Engineers "Tanaka Award"



Tataro Bridge (1,480m)  
 Japan's largest cable-stayed bridge  
 Japan Society of Civil Engineers "Tanaka Award"



Ariake Chikugo River Bridge  
 The first bridge of its type in Japan  
 Japan Society of Civil Engineers "Tanaka Award"



Kesennuma Bay Crossing Bridge (1,344m)  
 A symbol of Japan's recovery from the Great East Japan Earthquake  
 Japan Society of Civil Engineers "Tanaka Award"

# Major Past Projects

(Railroads, structure with large interior spaces and coastal structures)

- We have taken part in numerous railway bridge construction projects requiring high-level construction technologies.
- We have also accumulated expertise regarding structures with large interior spaces by participating in many projects such as the construction of Tokyo Tower



Bridges (railway bridges)



Tokaido Shinkansen Egawa Bridge



Tokaido Shinkansen Minowa Overpass



Sagami Jukan Expressway No. 16 Bridge near the Tokaido Shinkansen 50K900 point

Structures with large interior spaces



Tokyo Tower (333m)



Kobe Port Tower (108 m)



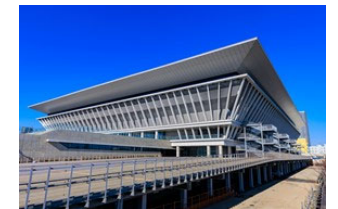
Nagoya Dome



Tokyo Skytree (634 m)



Sapporo Dome



Tokyo Aquatics Center

Coastal structures



Minami Honmoku steel caisson



Tokyo Bay Umi-no-Mori Tunnel immersed tube tunnel

# Our Group's Strengths

**Our comprehensive capabilities, among the highest in the industry, enable us to take part in large-scale, difficult projects**

Design and Manufacturing

Planning and Installation

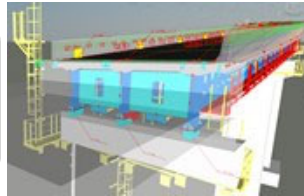
Reliable technologies backed by our experience with numerous projects

Human resources that we can invest in large-scale projects

The strengths made possible by the quantity and quality of our management resources

Industry-leading detailed design capabilities and technical development strengths

We collaborate with ICT companies to develop three CIM systems: Click3D, CIM-GIRDER, and CIM-SLAB



Strategic and special material holdings

Some of the industry's finest launching girder

Cable crane used to erect Japan's largest arch bridge

E.g.) Cable crane



Can be used in steep mountainous or other areas that are not conducive to ordinary

Our strengths lie not only in the equipment we own but also the number and skills of the MEG personnel that operate it

Manufacturing capabilities provided by our in-house plants



We can manufacture large blocks for use in long-span sea-spanning bridges  
We have one of the highest production capacities of any domestic plant in the industry

Coordination with advanced technical groups

Coordinating with associations of special scaffolding personnel with advanced technical capabilities is essential for making projects successes



Our external network of specialists provides us with the resources we need to handle challenging construction projects

# Major Structures that MEG Has Helped Construct - I

## Honshu-Shikoku Bridges



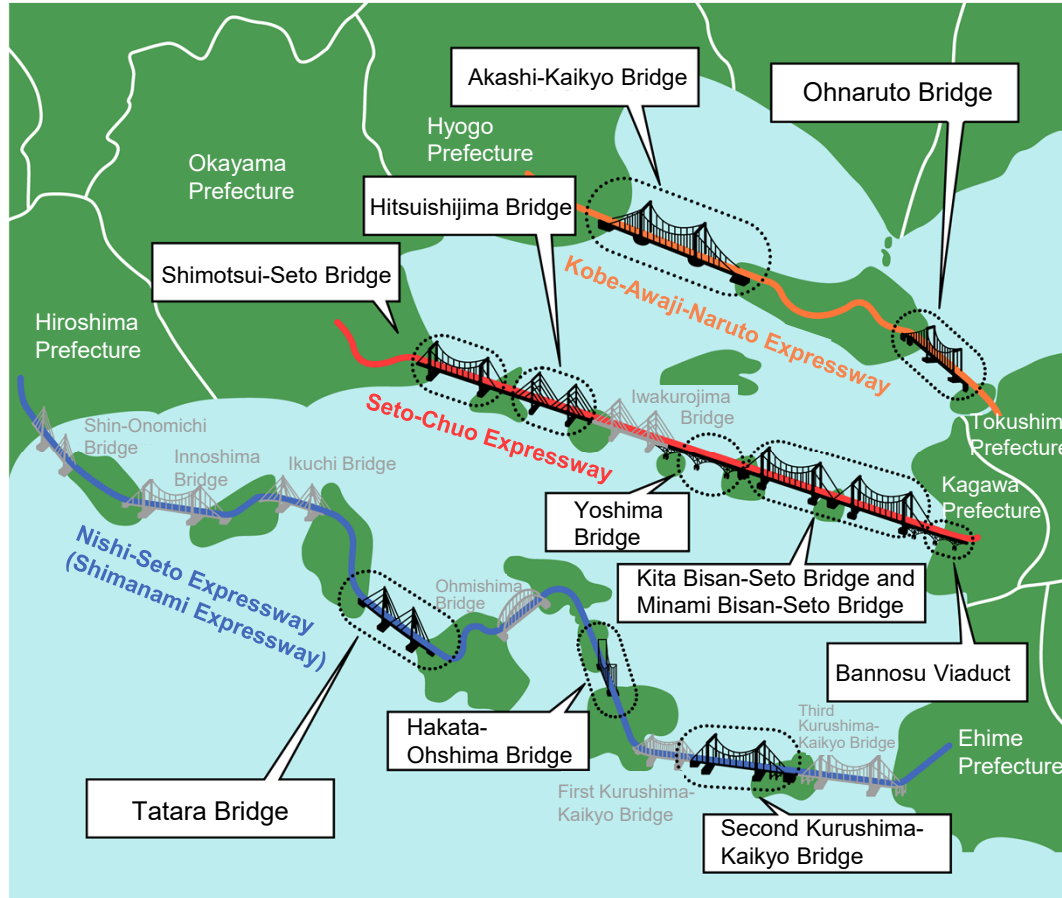
Shimotsui-Seto Bridge



Tataru Bridge



Second Kurushima-Kaikyo Bridge



Akashi-Kaikyo Bridge



Ohnaruto Bridge



Kita Bisan-Seto Bridge and Minami Bisan-Seto Bridge

# Major Structures that MEG Has Helped Construct - II

## Towers



Tokyo Skytree



Tokyo Tower



Fukuoka Tower



ATM Tower



Kobe Port Tower



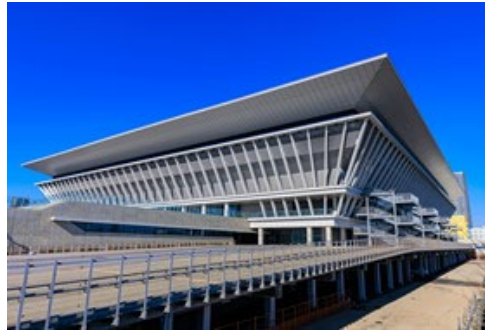
Oita Global Tower

# Major Structures that MEG Has Helped Construct - III

## Domes



Es Con Field Hokkaido



Tokyo Aquatics Centre



FUKUOKA PayPay Dome



Resonac Dome Oita



Q&A Stadium Miyagi



Vantelin Dome Nagoya



Odate Jukai Dome



Sapporo Dome



Nissan Stadium