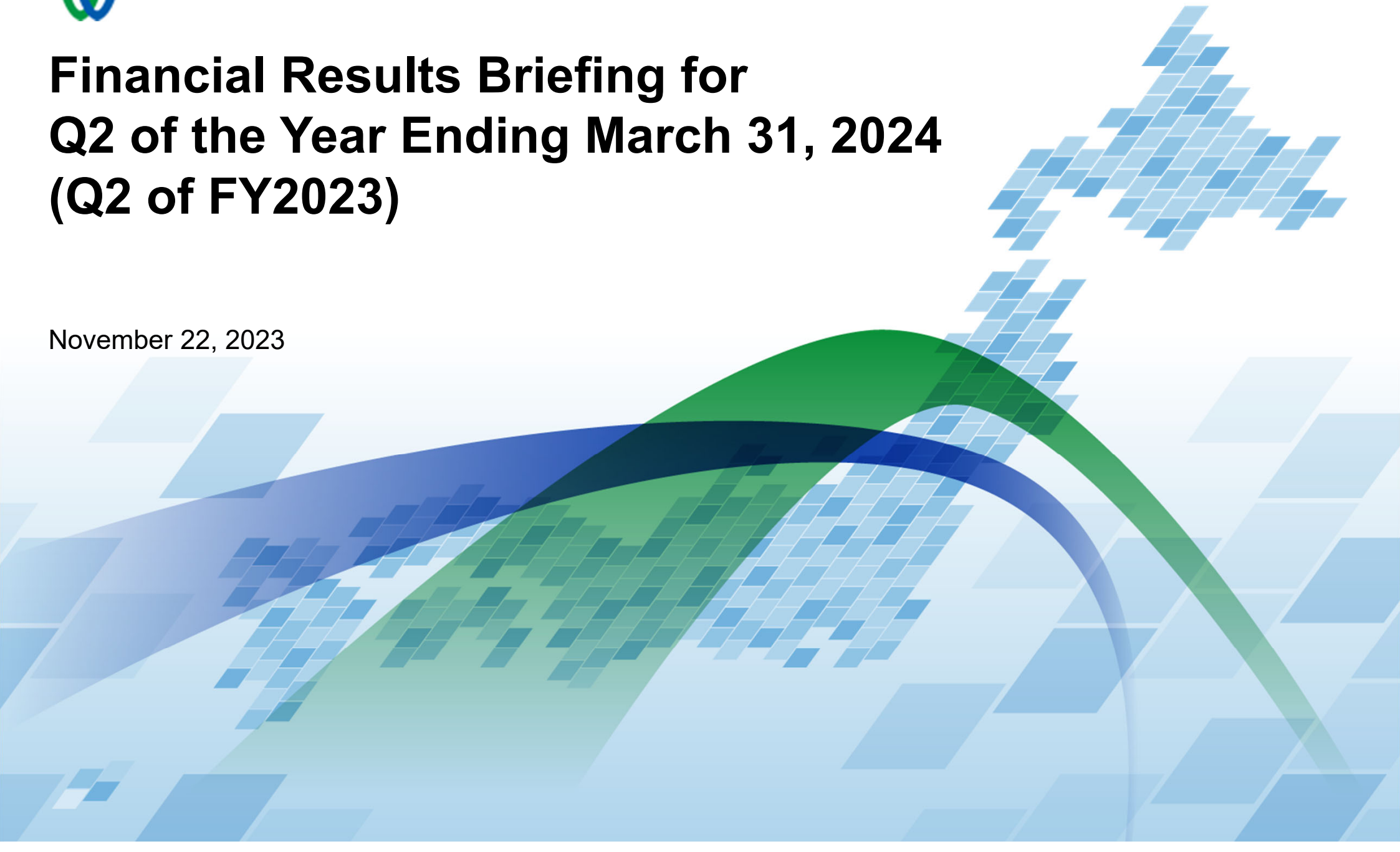




MIYAJI ENGINEERING GROUP, INC.

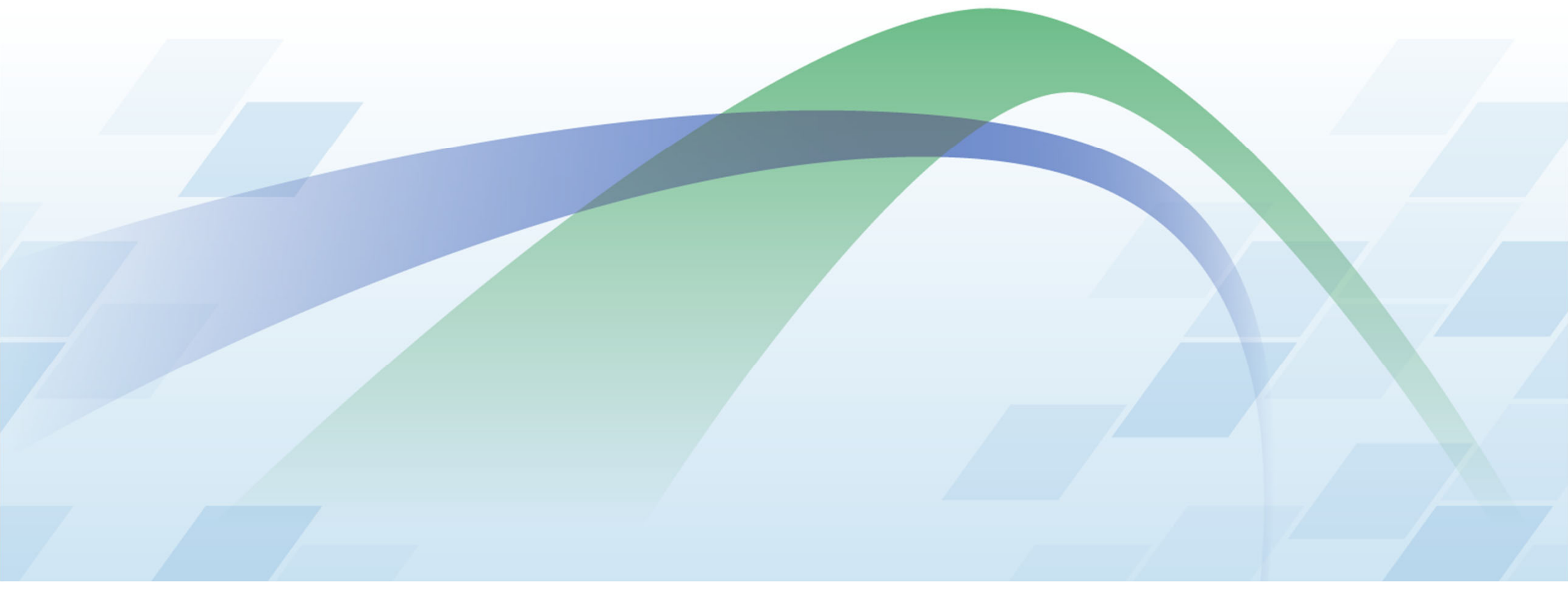
Financial Results Briefing for Q2 of the Year Ending March 31, 2024 (Q2 of FY2023)

November 22, 2023



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I. Financial Results for Q2 of FY2023



Key Topics for Q2 of FY2023

- ◆ Although a gradual recovery is expected due to the effects of various governmental policies, there are concerns about the impact of further global monetary tightening and the prospects of the Chinese economy.
- ◆ Budgets for public investment in Japan remained firm, and certain level of the budget was set aside for the bridge business segment, which includes highway and railway bridges.
- ◆ Revisions to the Road Special Measures Act, whose goal is the promotion of road improvements financed by the charging for expressway road use, were enacted.
- ◆ Within the industry, there have been major accidents in steel bridge upper construction and architecture construction. We are keenly aware of the importance of construction safety measures and are taking thorough steps to ensure safety.

Key Topics for Q2 of FY2023

- ◆ The amount of orders we received rose 12.7% year-on-year due to our receiving orders for large-scale expressway renovation projects and other large-scale projects.
- ◆ Net sales rose slightly over forecasts because of steady progress in large-scale renovation projects and other large projects.
- ◆ Operating profit and ordinary profit also improved from the forecast at the beginning of the year due to improvements to profitability and cost reductions.
- ◆ The market favorably recognized the "Action to Implement Management that is Conscious of Cost of Capital and Stock Price" disclosed on August 9, 2023 in accordance with a request from the Tokyo Stock Exchange. Our stock price rose significantly and our PBR surpassed 1.

Financial Results Summary for Q2 of FY2023

Due to steady progress on existing projects, profitability improvements, and cost reductions, net sales, profits, and profit margins all improved for the first half of the year in comparison to the forecasts at the beginning of the year.

	(Million yen)				
	FY2021 Q2	FY2022 Q2		FY2023 Q2	
	Results	Results	YoY change	Results	YoY change
Net sales	26,318	27,951	6.2%	31,694	13.4%
Operating profit	2,755	3,184	15.6%	2,951	-7.3%
Ordinary profit	2,852	3,304	15.9%	3,089	-6.5%
Profit attributable to owners of parent	1,539	1,911	24.1%	1,776	-7.1%
Orders received	28,085	30,425	8.3%	34,287	12.7%
Order backlog	90,083	96,760	7.4%	103,250	6.7%

Main Projects Sold (1)

New construction-related projects

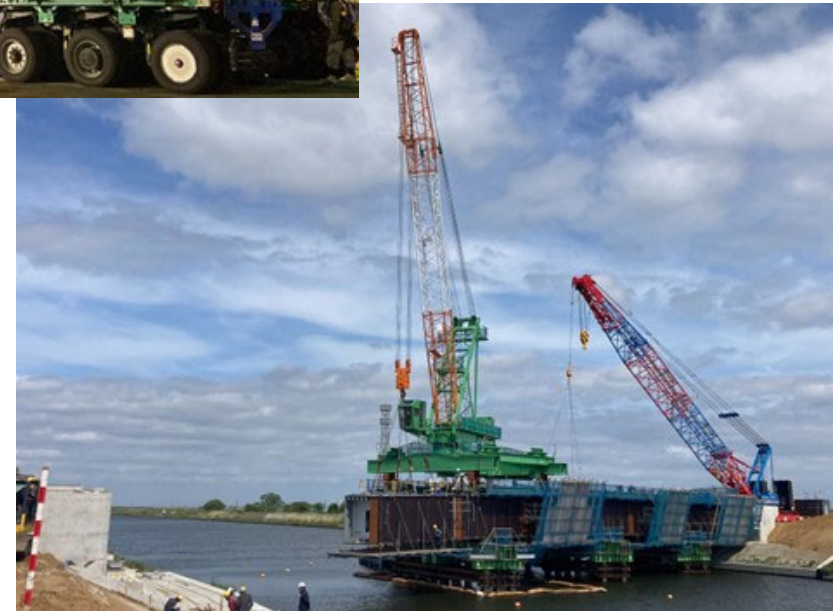
Ebie area steel girder and steel pier construction project
Hanshin Expressway Company Limited



Shin-Meishin Expressway construction work of the Kisshoji River Bridge and two other bridges (steel superstructure)
West Nippon Expressway Company Limited



Fusanokuni Sightseeing Road construction (tentatively named Kurobe River New Bridge upper construction, part 2)
Chiba Prefecture

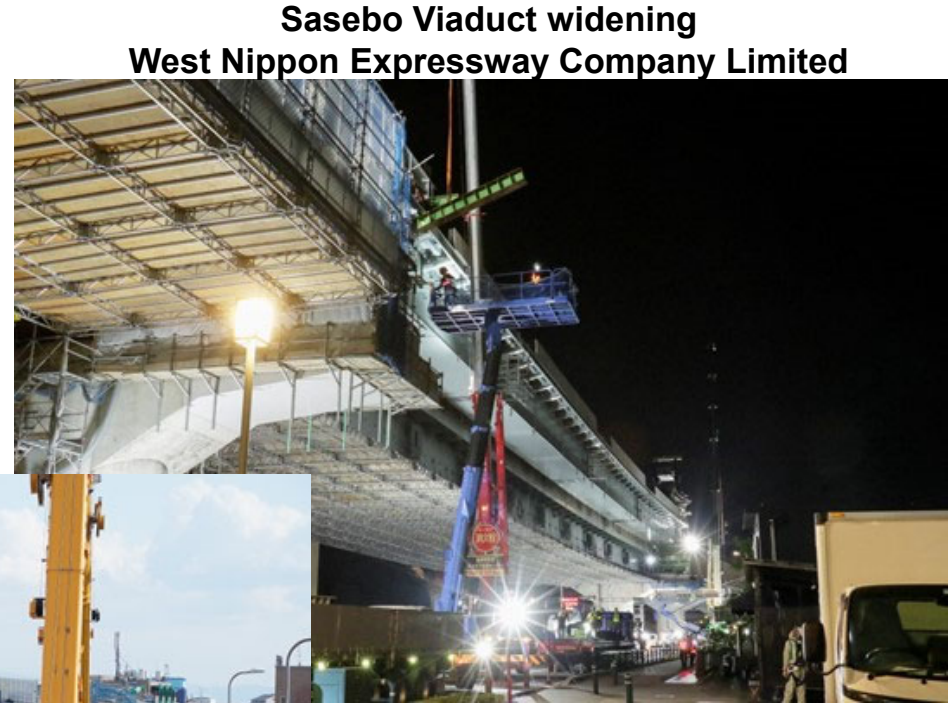


Main Projects Sold (2)

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



BOAT RACE EDOGAWA
floating breakwater
manufacturing and
installation
PENTA-OCEAN
CONSTRUCTION CO., LTD.



**New construction of crossing section
of Kanjo 4 Expressway within
Shinagawa Station building, etc.**
Kajima Corporation



**Toranomon Azabudai
redevelopment area A**
SHIMIZU CORPORATION

Overview of Main Construction Project Orders

The Group's main construction project orders

Design and construction of the Daini-Keihan Road Kadoma East Viaduct (steel superstructure)

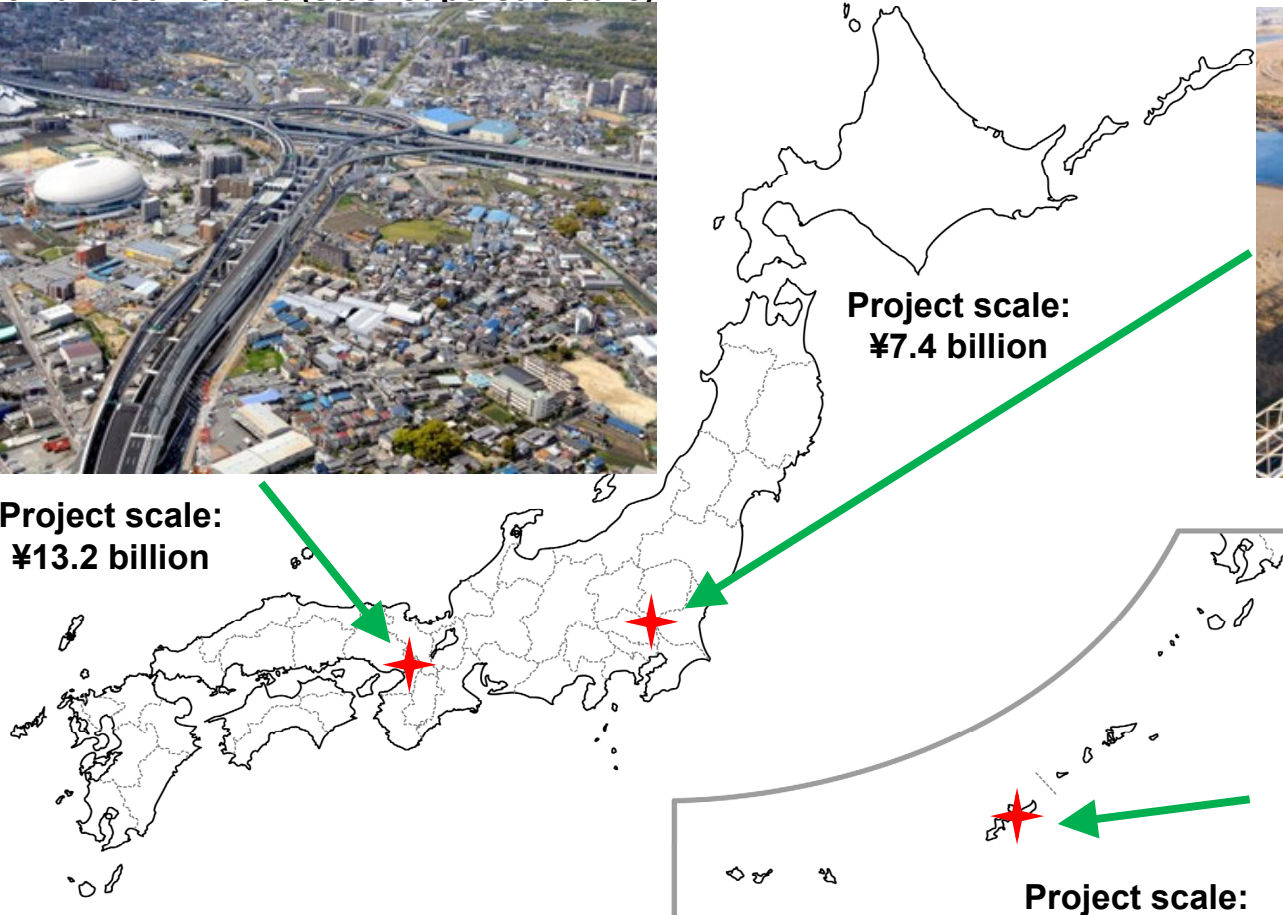


Tohoku Expressway Tone River Bridge seismic reinforcement work



Project scale:
¥7.4 billion

Project scale:
¥13.2 billion



Project scale:
¥5.0 billion



FY2023 Onna BP No. 5 Bridge steel superstructure (outbound) construction, etc.

Results by Segment (1)

**MIYAJI ENGINEERING increased revenue and decreased profit year-on-year.
MM BRIDGE increased both revenue and profit year-on-year.**

(Million yen)

	FY2021 Q2	FY2022 Q2		FY2023 Q2	
	Results	Results	YoY change	Results	YoY change
Net sales	26,318	27,951	6.2%	31,694	13.4%
MEC	16,011	16,039	0.2%	18,991	18.4%
MMB	10,493	11,896	13.4%	12,720	6.9%
Other	2	1	-12.9%	2	17.8%
Operating profit	2,755	3,184	15.6%	2,951	-7.3%
MEC	1,620	2,242	38.5%	1,564	-30.2%
MMB	1,148	932	-18.8%	1,384	48.4%
Other	687	1,022	48.8%	1,192	16.6%
Orders received	28,085	30,425	8.3%	34,287	12.7%
MEC	14,399	17,450	21.2%	19,916	14.1%
MMB	13,684	12,973	-5.2%	14,369	10.8%
Other	2	1	-12.9%	2	17.8%
Order backlog	90,083	96,760	7.4%	103,250	6.7%
MEC	45,693	54,408	19.1%	58,187	6.9%
MMB	44,398	42,448	-4.4%	45,018	6.1%
Other	-	-	-	-	-

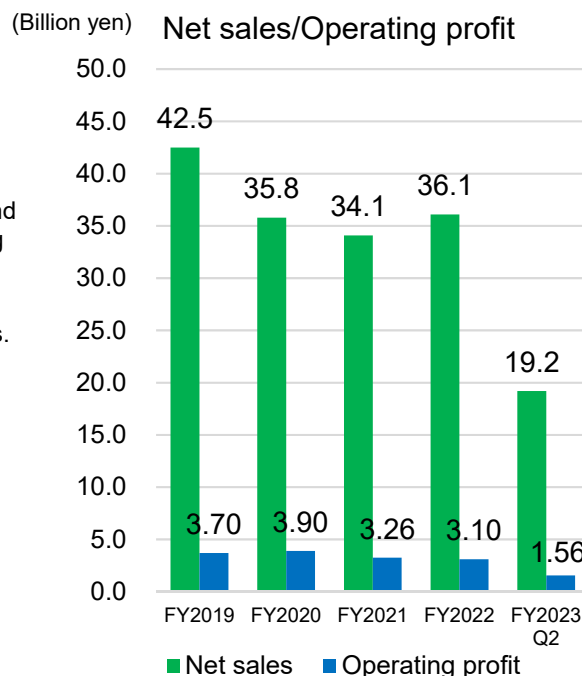
Results by Segment (2)

MIYAJI ENGINEERING

Orders received were ¥19,920 million due to orders received for large-scale construction projects such as the NEXCO West Kadoma East Viaduct and the Nariai No. 2 Viaduct. Order backlog also exceeded ¥58,000 million.

Net sales were ¥19,210 million due to the steady progress of existing projects. Due to the negative impact of soaring prices such as energy and material prices, operating profit was ¥1,560 million and ordinary profit was ¥1,700 million.

We will strive to increase order volume and improve profits in the second half.



Future initiatives

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

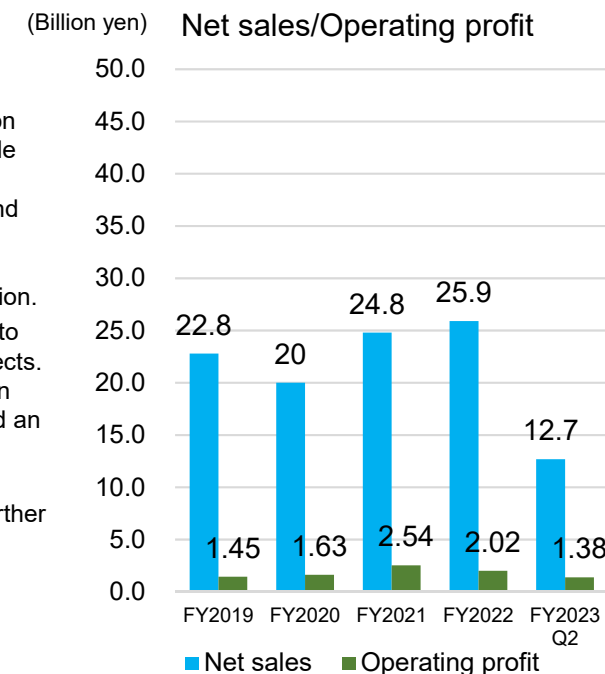
Top management are transforming and cultivating the mentalities of employees, who play the fundamental role in helping companies achieve sustainable growth, through their communications and through the examples they set with their own leadership. In addition to these mentality reforms, operation efficiency 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

Orders received were ¥14,370 million due to orders received for large-scale construction projects such as the NEXCO West Soma River Bridge and the NEXCO East Tone River Bridge seismic reinforcement work. Order backlog also exceeded ¥45,000 million.

Net sales were ¥12,710 million due to the steady progress of existing projects. Profits also remained steady, with an operating profit of ¥1,380 million and an ordinary profit was ¥1,390 million.

We will continue to strive for record order volume and net sales while further increasing profits.



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.

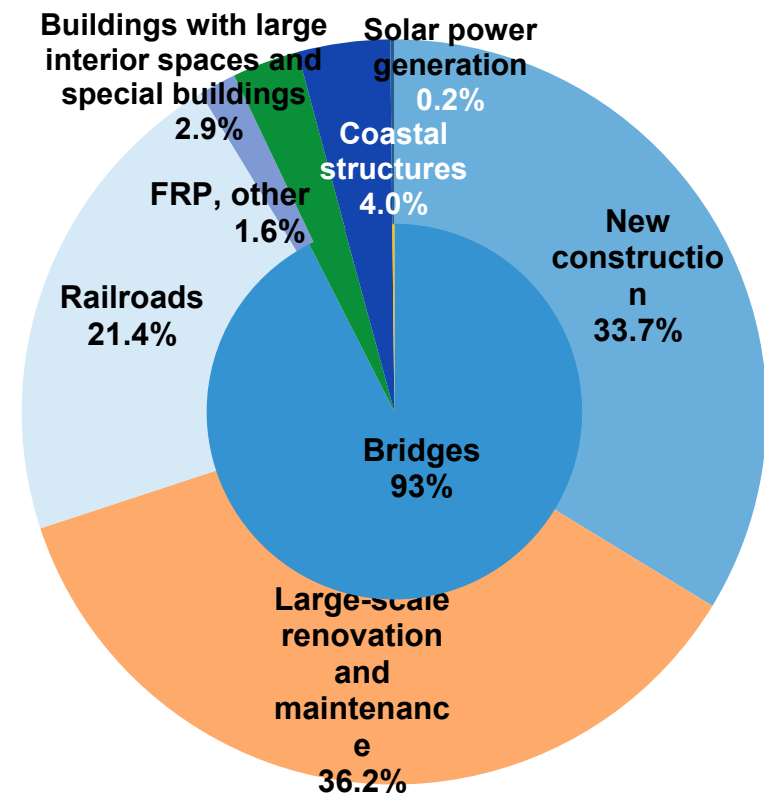
Results by Business Segment (3)

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.

Bridges	New construction	Design, manufacturing, construction planning, and engineering of new bridges, including large-scale projects
	Large-scale renovation and maintenance	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.
	Railroads	Design, manufacturing, construction planning, and engineering for railway bridges spanning rivers and roads, and bridges over railways, which require advanced technical capabilities
	FRP, other	Sale and operation contracting related to products developed in-house and patented technologies such as inspection Access Way and panels made with FRP
Buildings with large interior spaces and special buildings	Construction planning and engineering for high-rise towers such as Tokyo Skytree and domes such as Es Con Field Hokkaido	
Coastal structures	Design and manufacturing of immersed steel tube tunnels, caissons, jackets, floating breakwaters, and other structures that require specialized design technology capabilities	
Solar power generation	Solar power generation using the grounds of a former factory	

FY2022 Sales composition by business segment



Balance Sheet and Cash Flows

The equity-to-asset ratio remained roughly unchanged, going from 56.3% on March 31, 2023 to 55.8%.

Main balance sheet items

	(Million yen)		
	September 30, 2022	March 31, 2023	September 30, 2023
Total assets	62,971	63,051	66,952
Current assets	43,296	43,185	46,315
Non-current assets	19,674	19,866	20,636
Property, plant and equipment	12,564	12,968	12,994
Intangible assets	331	372	378
Investments and other assets	6,778	6,524	7,263
Total liabilities	22,772	21,483	23,188
Current liabilities	18,407	17,395	18,947
Non-current liabilities	4,364	4,087	4,240
Total net assets	40,199	41,568	43,763
Total net assets	29,055	29,812	31,043
Accumulated other comprehensive income	5,444	5,695	6,348
Non-controlling interests	5,698	6,059	6,372

Cash flows from operating activities remained positive due to the recording of profit, and the funds were allocated to the purchase of property, plant and equipment acquisition and to dividends.

Main cash flow statement items

	(Million yen)		
	FY2021 Q2	FY2022 Q2	FY2023 Q2
Cash flows from operating activities	10,608	3,239	2,132
Cash flows from investing activities	(697)	(216)	(377)
Cash flows from financing activities	(727)	(1,583)	(727)
Net increase (decrease) in cash and cash equivalents	9,182	1,439	1,027
Cash and cash equivalents at end of period	17,699	17,418	14,643

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, volatility in financial and capital markets, and other factors.
- ◆ Despite these circumstances, in the bridge business segment, we have secured a sufficient budget, with expected orders for FY2023 of ¥270.0 billion for new construction-related projects and ¥290.0 billion (based on our estimates) for large-scale renovation and maintenance-related projects. Orders on the same scale are expected to continue in the future, due to the promotion of road improvements financed by the charging for expressway road use until the year 2115 in accordance with revisions to the Road Special Measures Act.
- ◆ We expect to receive ongoing orders for large-scale renovation and repair projects with a project size of approximately ¥7 trillion, and plans for highly difficult, large-scale projects, such as the western extension of the Wangan (Osaka Bay) Route, are moving 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 appropriately, use technology development and DX to improve productivity, and secure and train our human resources, thereby working toward the achievement of our Medium-Term Business Plan.

Forecast for FY2023

Due to steady progress in construction projects, profitability improvements, and cost reductions, we expect net sales, operating profit, and ordinary profit to exceed the forecast at the beginning of the year. We are also working hard to set a new record high for orders received.

(Million yen)

	FY2021	FY2022		FY2023		
	Results	Results	Vs. PY	Previous forecast	Revised forecast	Vs. PY
Net sales	58,002	60,279	3.9%	69,000	71,000	17.8%
Operating profit	5,810	5,128	-11.8%	6,600	7,100	38.5%
Ordinary profit	5,992	5,374	-10.3%	6,700	7,000	30.3%
Profit attributable to owners of parent	3,406	3,077	-9.7%	3,500	3,600	17.0%
Annual dividend per share (yen) *1	70	70	-	90 <small>(Ordinary dividend 80 Commemorative dividend 10)</small>	160 <small>(Ordinary dividend 150 Commemorative dividend 10)</small>	-
Return on equity (ROE)	10.7%	8.9%	-	9.6%	9.9%	-
Orders received	63,974	66,650	4.2%	93,300	72,000	8.0%
Order backlog	94,286	100,658	6.8%	124,900	101,600	0.9%

*1 The Company conducted a two-for-one stock split of its common shares on October 1, 2023. Annual dividends per share have been retroactively revised to reflect this.

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

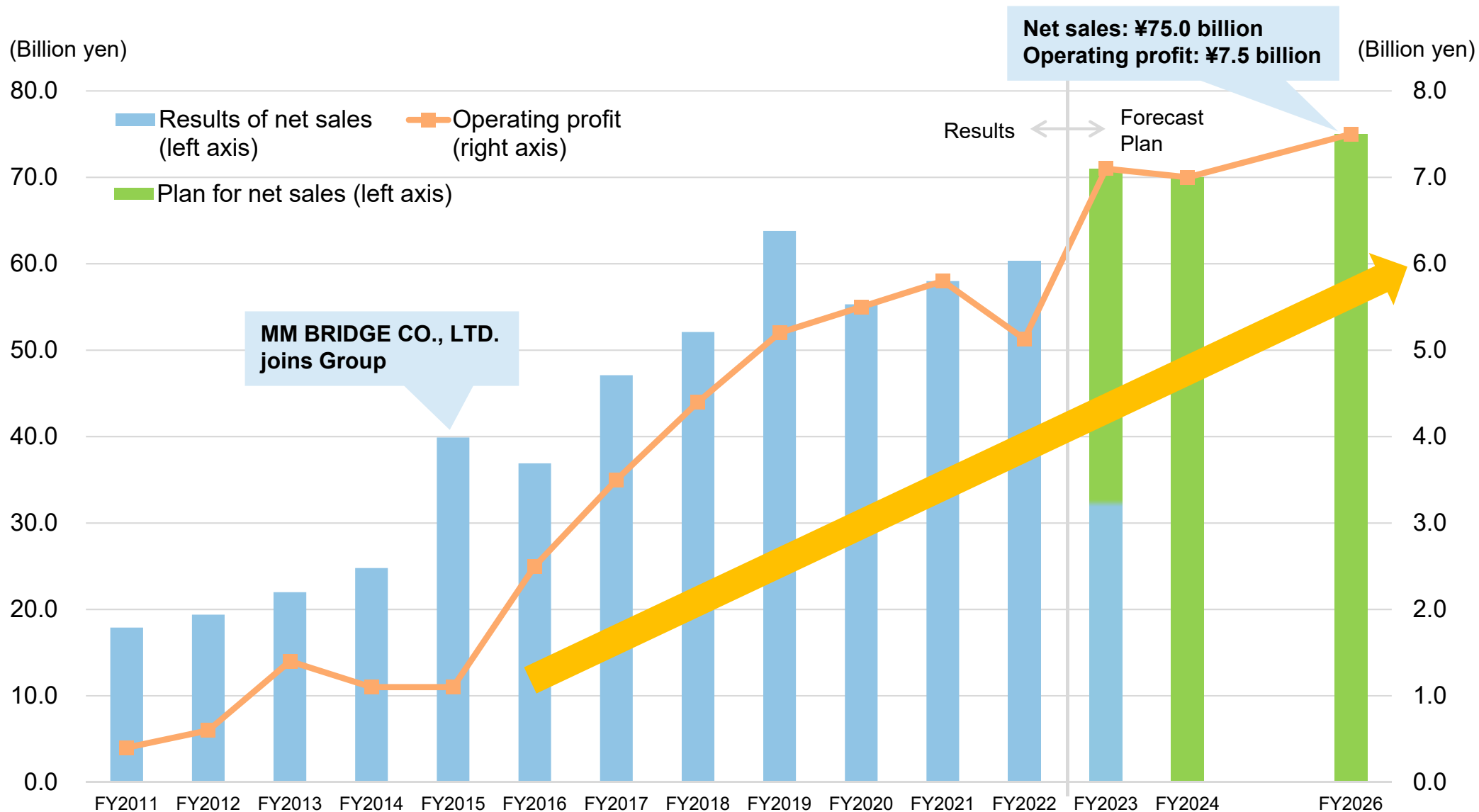
- 1) Participate in new, large-scale bridge projects**
- 2) Expand scale of activities in large-scale expressway renovation projects**
- 3) Work on high-difficulty private sector construction projects**
- 4) Enhance technology development**
- 5) Engage in capital investment aimed at growing business 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	Initial target	Initial target
Net sales	58,002	65,000	60,279	71,000	70,000	75,000
Operating profit	5,810	5,500	5,128	7,100	7,000	7,500
Ordinary profit	5,992	5,500	5,374	7,000	7,000	7,500
Profit attributable to owners of parents	3,406	3,000	3,077	3,600	3,800	4,000
Equity-to-asset ratio	54.0%	55%	56.3%	57.0%	55%	
Return on equity (ROE)	10.7%	10%	8.9%	9.9%	10%	
Return on assets (ROA)	9.8%	10%	8.6%	10.0%	10%	

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 proposals are being deliberated in preparation for an assured order for 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-related 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 some 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), 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	○	We are revising and implementing our investment plans for the Medium-Term Business Plan (FY2022 to FY2026) period to reflect rising prices and the impact of the COVID-19 pandemic.	
6) Strengthen alliances	○	We have created an industry-spanning JV with a general contractor and acquired preferential negotiating rights for multiple large-scale renovation and maintenance-related projects we have bid on. We are currently in bidding for other projects.	
7) Expand sales of products developed in-house	○	We are steadily expanding sales of the products we have developed, such as FRP inspection Access Way, as set forth in our business plans.	
8) Implement ESG measures	○	Led by our Sustainability Promotion Committee, we have created five sectional committees and are setting specific targets and KPIs based on our materiality as we are reinforcing our implementation structure.	

Progress status of measures

Large-scale projects for which we have secured preferential negotiating rights and are working on designs

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

Client: East Nippon Expressway Company Limited Hokkaido Regional Head Office
Contractors: TAISEI CORPORATION, IWATA CHIZAKI INC., ITOGUMI CONSTRUCTION CO., LTD., KYOKUTO KOWA CORPORATION, MM BRIDGE CO., LTD.
JV for the construction work of the Do-o Expressway, renewal in Kitago



Design and construction work of the Tohoku Expressway, Sendaimiyagi Dramp bridge

Client: East Nippon Expressway Company Limited, Tohoku Regional Head Office
Contractors: MM BRIDGE CO., LTD., HAZAMA ANDO CORPORATION
JV for the construction work of the Tohoku Expressway, Sendaimiyagi Dramp bridge



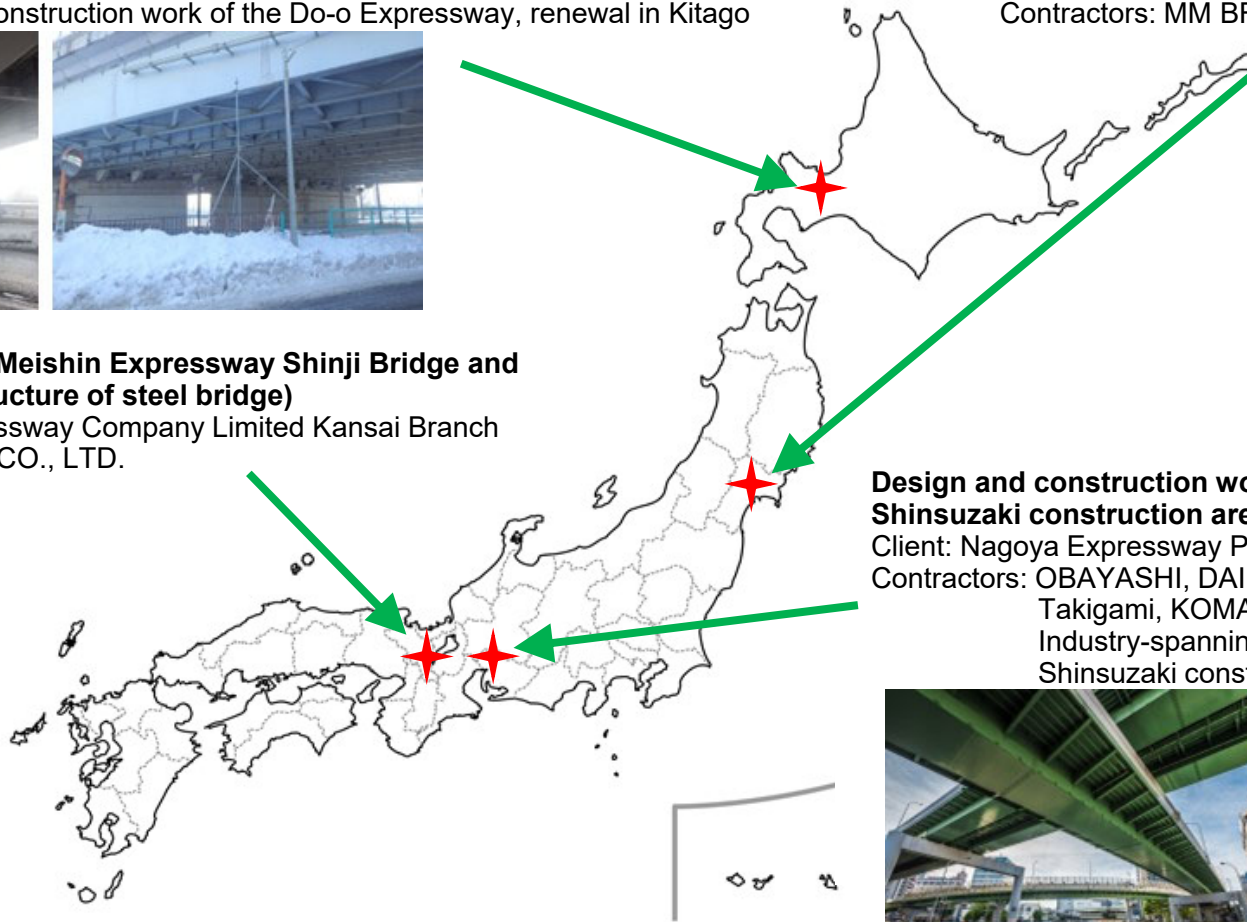
Design work of the Shin-Meishin Expressway Shinji Bridge and another bridge (superstructure of steel bridge)

Client: West Nippon Expressway Company Limited Kansai Branch
Contractors: MM BRIDGE CO., LTD.



Design and construction work of the Expressway Route 1 and other Shinsuzaki construction area renovation

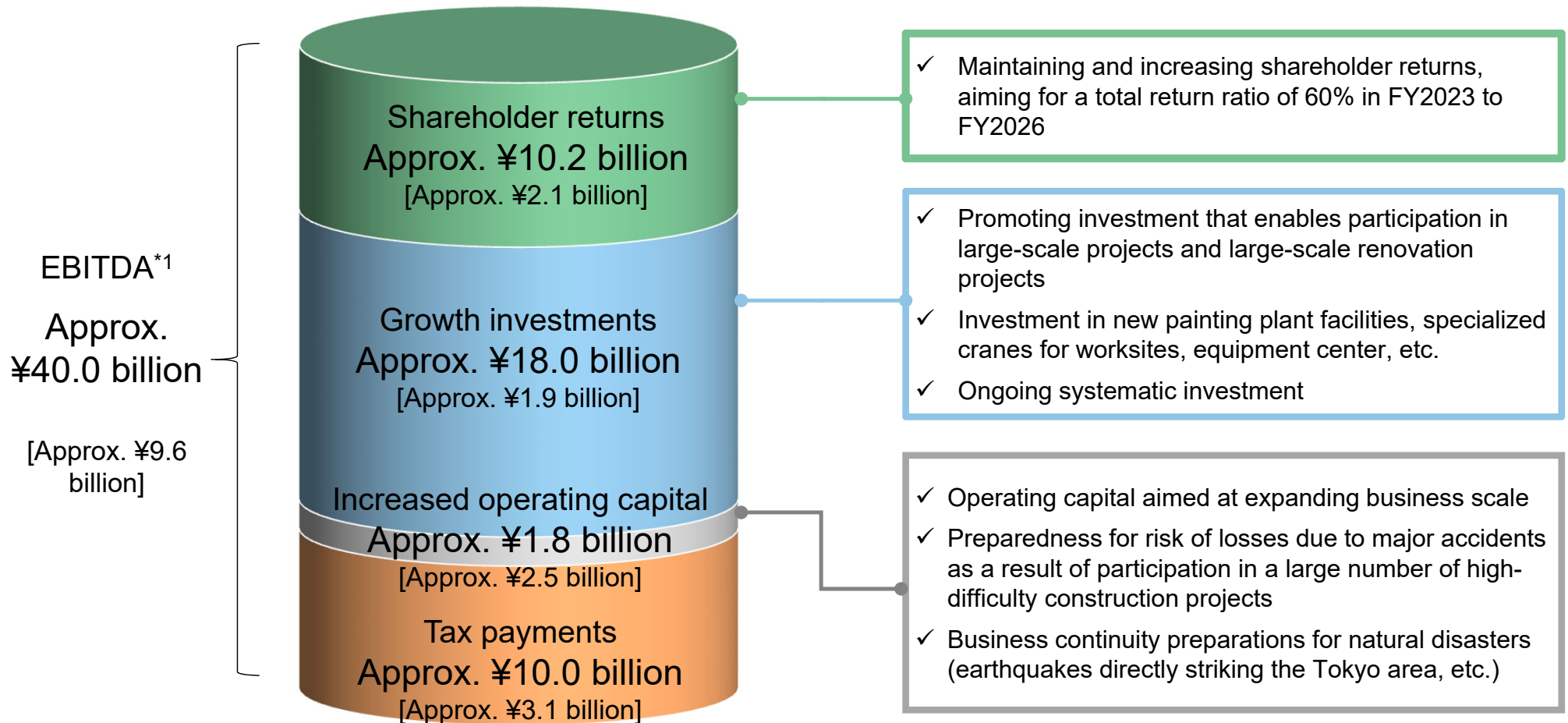
Client: Nagoya Expressway Public Corporation
Contractors: OBAYASHI, DAIHO, YAHAGI, KAWADA, MMB, MIYAJI, Takigami, KOMAIHALTEC
Industry-spanning JV for the Expressway Route 1 and other Shinsuzaki construction area renovation



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 cumulative result totals from FY2022 to FY2023 Q2

Investment Strategy (1)

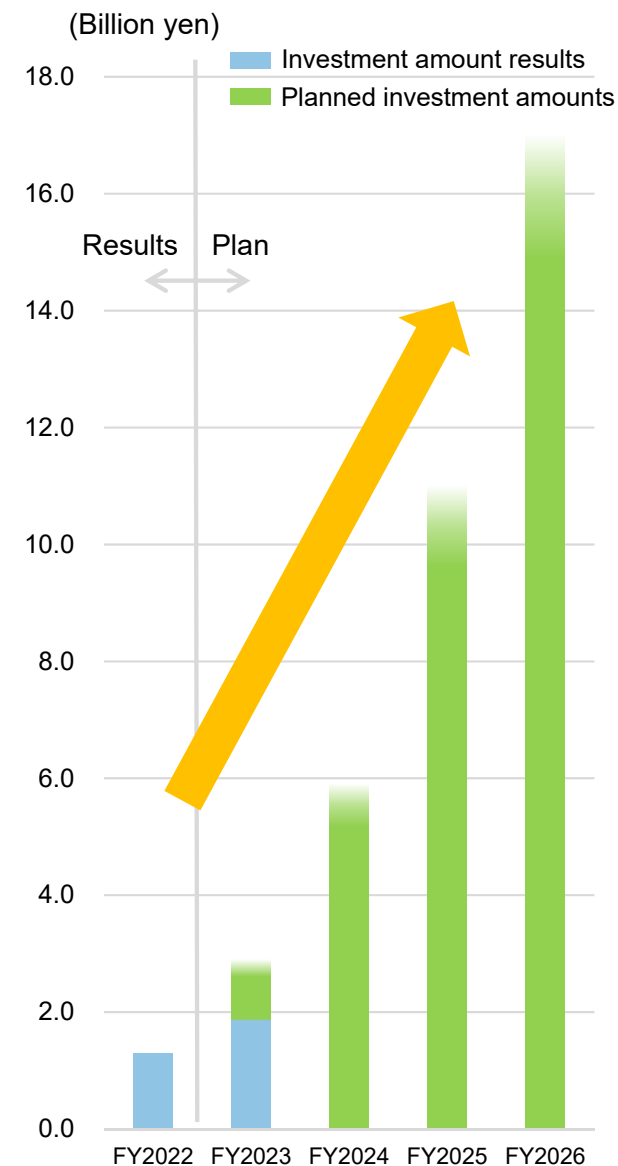
We have changed the composition of our investment strategy, adding new items such as carbon neutrality-related investment, but the total amount remains the same.

		Investment forecast for next five years	Cumulative total from FY2022 to FY2023 Q2	Change in investment forecast for next five years
Production capacity efficiency improvement and optimization	Yard improvement and space utilization efficiency improvement	¥0.5 billion	¥10 million	¥0.15 billion
	Rebuilding of painting plant	¥2.0 billion	¥0.56 billion	¥1.30 billion
	Updating and repair of plant equipment, seismic reinforcement of buildings	¥7.0 billion	¥0.3 billion	¥2.50 billion
	New office building construction	¥2.5 billion	-	¥6.00 billion
	Equipment Center renovations	¥1.0 billion	¥0.55 billion	¥1.05 billion
	Equipment Center equipment replacement	¥2.0 billion	¥0.22 billion	¥1.70 billion
	Addition of revisions to Kurihashi Equipment Center storage yard	-	-	¥1.05 billion
	Addition of relocation and expansion of Hyogo Equipment Center	-	-	¥1.25 billion
Carbon neutrality-related investment	Addition of specific initiatives for achieving carbon neutrality by 2050	-	-	¥0.90 billion
Business portfolio expansion and optimization	New business development			¥1.10 billion
Reinforce comprehensive engineering functions	Technology development	Envisioned as being between ¥3.0 to 5.0 billion	¥0.24 billion	Envisioned as being between ¥1.0 to 3.0 billion
	M&As			
Total growth investment		Envisioned as being between ¥18.0 to 20.0 billion	¥1.88 billion	Envisioned as being between ¥18.0 to 20.0 billion

Investment Strategy (2)

		Investment forecast for next five years	Reason for change
Production capacity efficiency improvement and optimization	Yard improvement and space utilization efficiency improvement	¥0.15 billion	Revise equipment renovation plans
	Rebuilding of painting plant	¥1.30 billion	
	Updating and repair of plant equipment, seismic reinforcement of buildings	¥2.50 billion	
	New office building construction	¥6.00 billion	Reflect major increase in personnel capacity, rising prices, etc.
	Equipment Center renovations	¥1.05 billion	Reflect impact of rising prices, relocation and expansion of equipment centers, and revisions to storage yard
	Equipment Center equipment replacement	¥1.70 billion	Reflect construction plans, etc.
	Addition of revisions to Kurihashi Equipment Center storage yard	¥1.05 billion	Add a plan for relocation of external equipment storage yard
	Addition of relocation and expansion of Hyogo Equipment Center	¥1.25 billion	Add a plan for relocation and expansion in preparation for projects in western Japan
Carbon neutrality-related investment	Addition of specific initiatives for achieving carbon neutrality by 2050	¥0.90 billion	Add specific measures such as adoption of electric forklifts, additional installation of solar power generation equipment, and new technology development
Business portfolio expansion and optimization	New business development	¥1.10 billion	Separate investment block for carbon neutrality-related investment
Reinforce comprehensive engineering functions	Technology development	Envisioned as being between ¥1.0 to 3.0 billion	Separate investment block for M&As
	M&As		
Total growth investment		Envisioned as being between ¥18.0 to 20.0 billion	

Total investment amount trend



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	Initial target	Initial target
Net sales	58,002	65,000	60,279	71,000	70,000	75,000
Operating profit	5,810	5,500	5,128	7,100	7,000	7,500
Ordinary profit	5,992	5,500	5,374	7,000	7,000	7,500
Profit attributable to owners of parent	3,406	3,000	3,077	3,600	3,800	4,000
Annual dividend per share (yen) *1	70	70	70	160 (Ordinary dividend 150 Commemorative dividend 10)	(170) ^{*2}	(180) ^{*2}

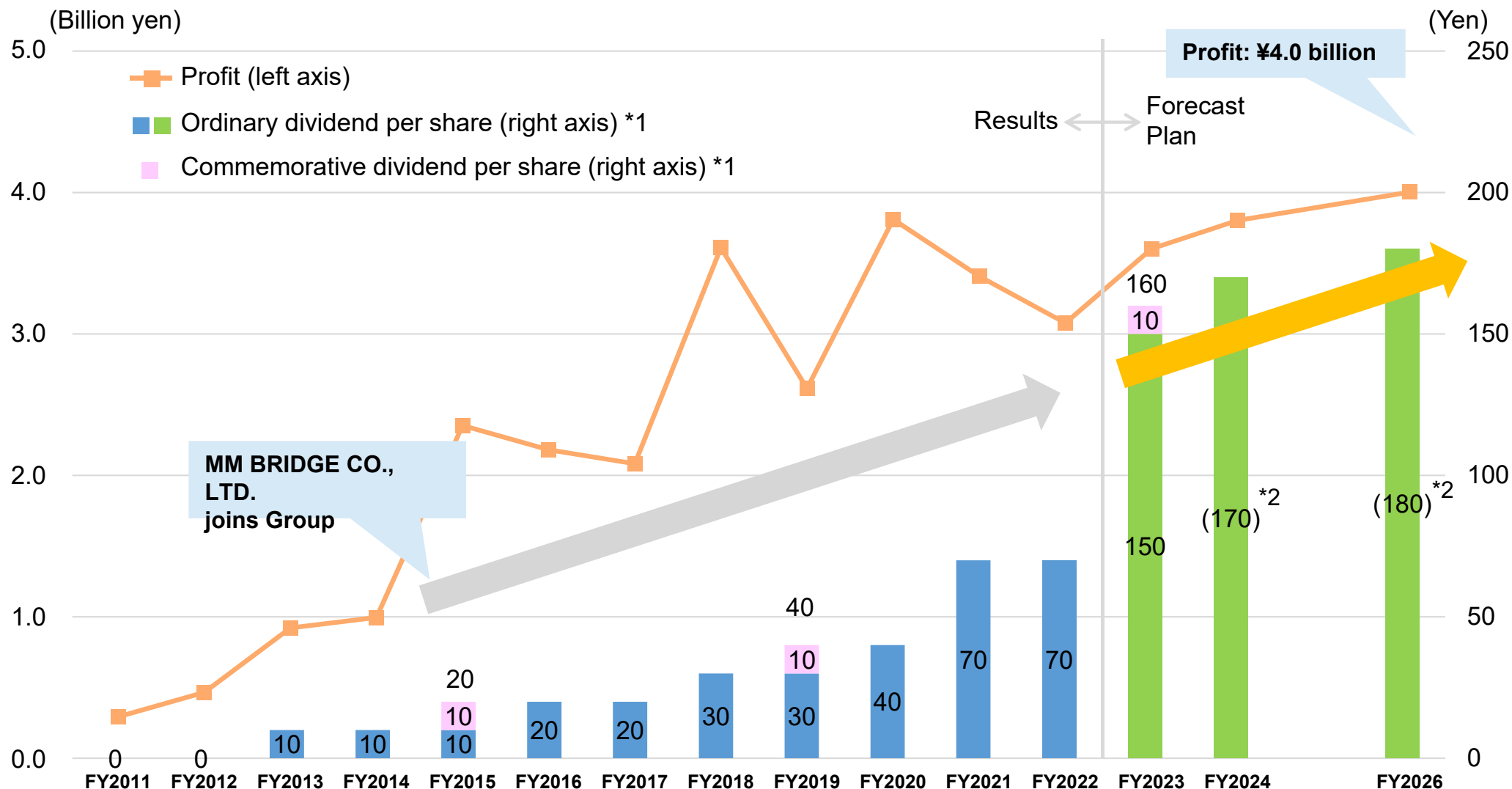
We appropriately control equity levels and pay due care with respect to capital efficiency, such as by providing dynamic returns to shareholders when business is performing strongly

*1 The Company conducted a two-for-one stock split of its common shares on October 1, 2023. Annual dividends per share have been revised after reflecting the stock split.

*2 Revised based on contents of timely disclosure materials disclosed on August 9, 2023

Profit and Dividends: Results and Plan

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

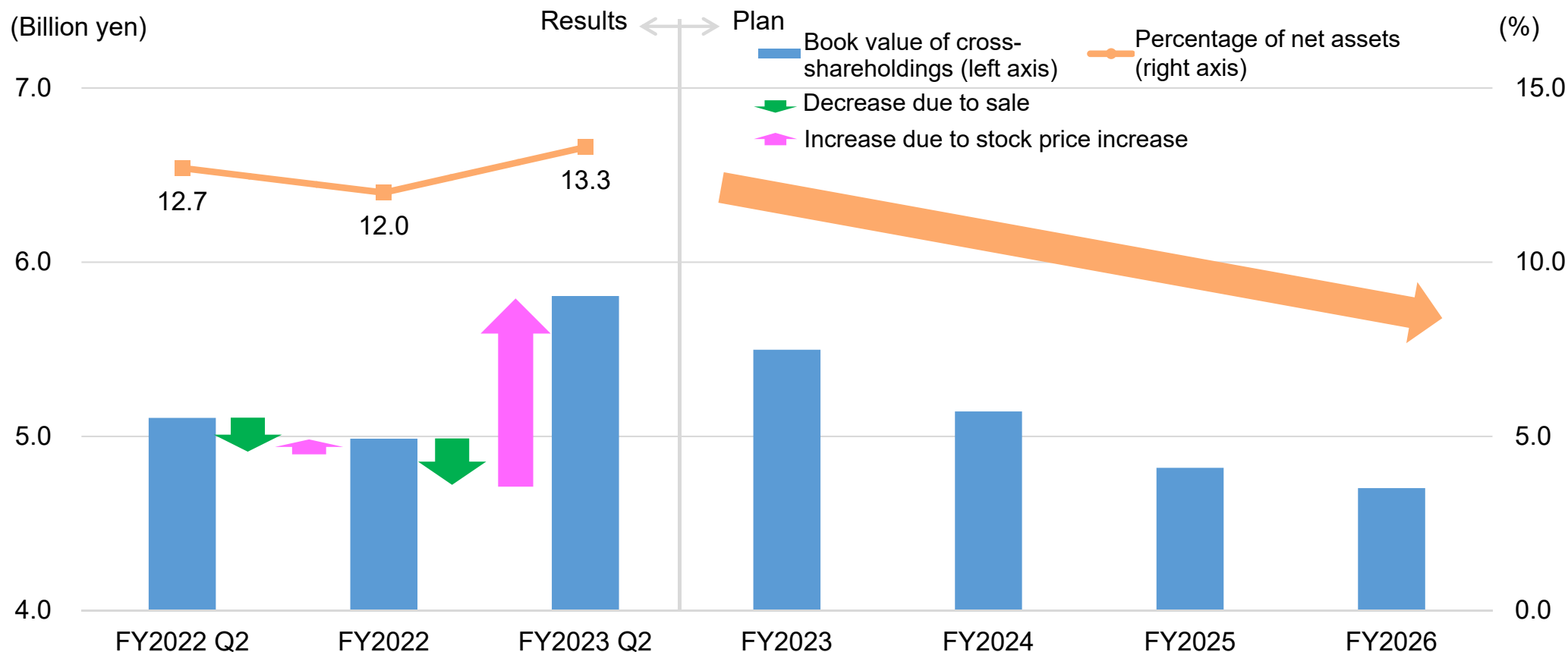


*1 The Company conducted a two-for-one stock split of its common shares on October 1, 2023. Annual dividends per share have been revised after reflecting the stock split.

*2 Revised based on contents of timely disclosure materials disclosed on August 9, 2023

Policy for Reducing Cross-shareholdings

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



- ◆ We sold cross-shareholdings with a book value of ¥280 million in the second quarter of the fiscal year ending March 31, 2024.
- ◆ The book value rose due to climbing stock price, but we will continue selling cross-shareholdings and compress their ratio to net assets.

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

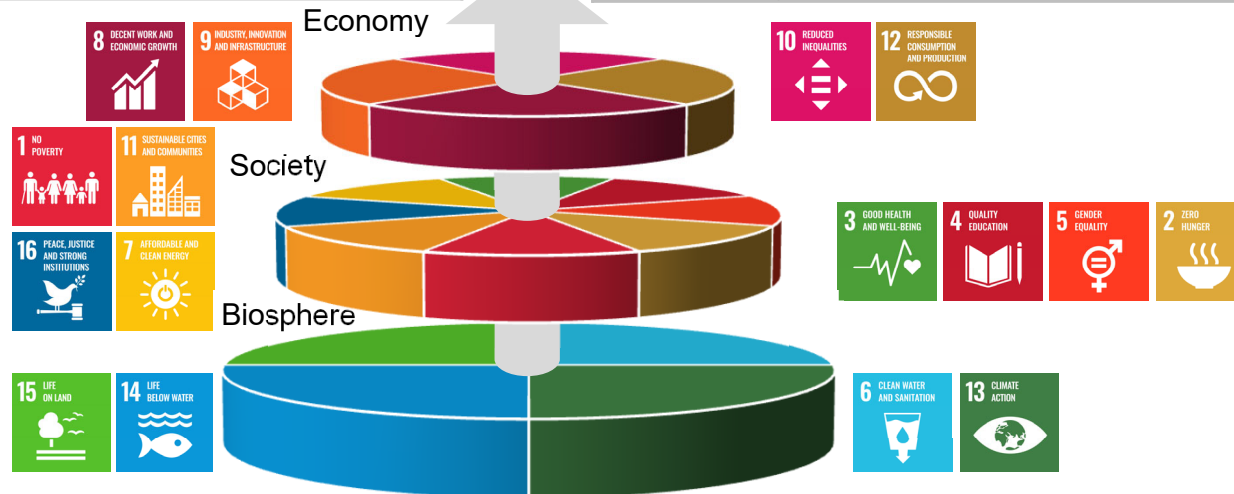
Personnel development and diversity promotion

- ◆ 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 CO₂ 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)

Group SDG initiatives

In the Integrated Report 2023, which we published this year, we announced the Group's twenty ESG-related materialities.



To set specific targets and KPIs based on each materiality, we established the following five sectional committees under the Sustainability Promotion Committee.

- (1) Sectional Committee for Declaring Our Support for the TCFD and Dealing with Carbon Neutrality-related Issues
- (2) Sectional Committee for Deliberations Regarding Technology Development and DX Promotion
- (3) Sectional Committee for Deliberations Regarding Safety, Health, and Quality
- (4) Sectional Committee for Deliberations Regarding Societal Issues
- (5) Sectional Committee for Deliberations Regarding Corporate Governance and Compliance



We are currently reinforcing our Group's structure for ESG and SDG measures

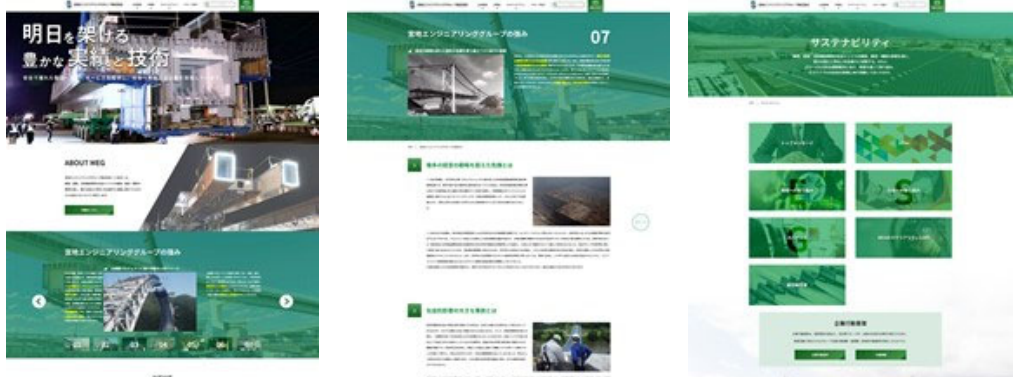
Enhancement of dialogue with shareholders and investors

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

ESG and SDG Measures (4)

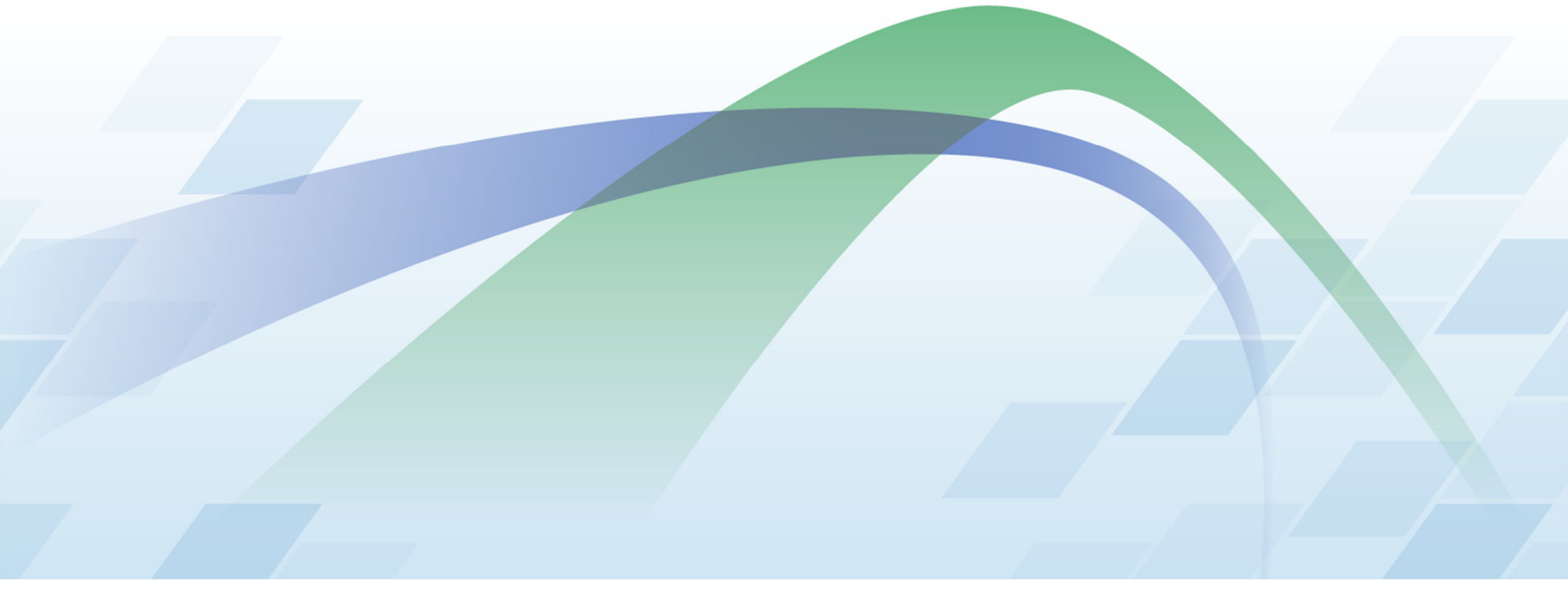
Commemorative ceremony and publication of commemorative issue celebrating the 115th anniversary of the MIYAJI ENGINEERING GROUP's founding and the 20th anniversary of its establishment



- ◆ We brought all of the Group employees together to hold a ceremony to commemorate our anniversaries. This ceremony served as a space to share the importance of contributing to society as a company that thrives and grows along with many stakeholders through our pioneering efforts, driven by our pride and passion for our work, and to share the strong resolve to achieve further success. We hope that this will help us continue to grow toward our medium- to long-term targets by looking back on the path that has led us to where we are.
- ◆ We also published a commemorative issue with twenty articles looking back on our Group's history of growth and struggle with adversity.



IV. Action to Implement Management that is Conscious of Cost of Capital and Stock Price



IV. Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Action to Implement Management that is Conscious of Cost of Capital and Stock Price (1)



Evaluation of the current situation (as of the disclosure of August 9, 2023)

FY2022 ROE: 8.9%

⇒ Although this fell short of the 10% target under the Medium-Term Business Plan, we achieved a level of return on capital that is equivalent to or higher than the cost of shareholders' equity.

PBR at the end of March 2023: 0.72 times

⇒ This remained below 1.0, which we believe is due to the insufficient understanding of matters such as the Group's business strategies, minimum equity capital requirements, and our policy on shareholder returns.

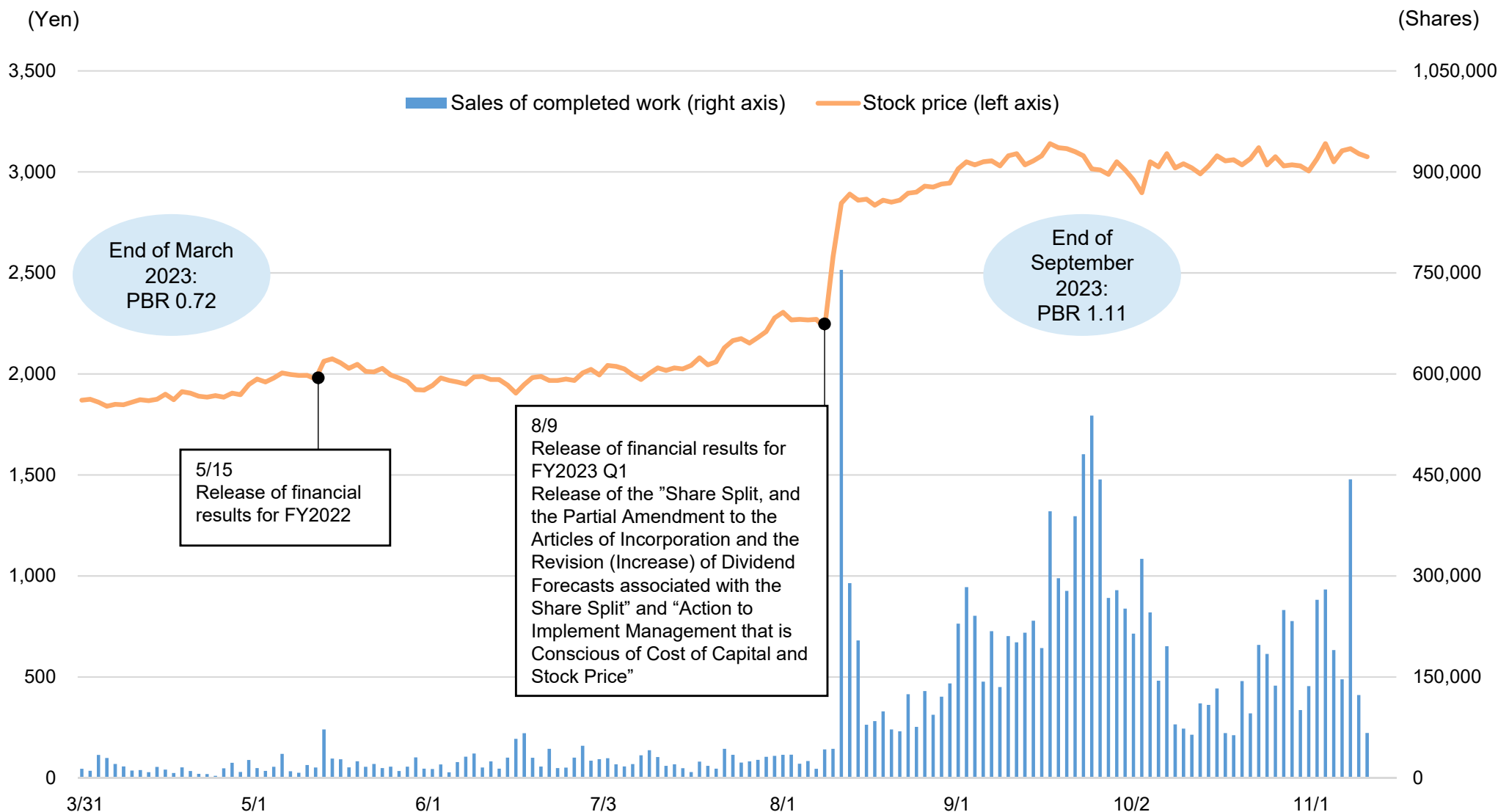
	(Million yen)					
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023 (Forecast)
Net sales	52,062	63,841	55,268	58,002	60,279	71,000
Operating profit	4,350	5,241	5,501	5,810	5,127	7,100 ^{*2}
Profit attributable to owners of parent	3,608	2,616	3,808	3,406	3,077	3,600 ^{*2}
Equity-to-asset ratio	43.8%	43.8%	49.6%	54.0%	56.3%	57.0% ^{*2}
ROE	15.8%	10.4%	13.5%	10.7%	8.9%	9.9%
Net assets per share (yen) *1	1,790.37	1,922.04	2,214.87	2,452.49	2,608.98	-
Year-end stock price (yen) *1	935.0	810.0	1,184.5	1,730.0	1,870.0	-
PBR (times)	0.52	0.42	0.53	0.71	0.72	-

*1 The Company conducted a two-for-one stock split of its common shares on October 1, 2023. Net assets per share and year-end stock price have been revised after reflecting the stock split.

*2 Revised on November 9, 2023

Stock trends

Stock price and sales of completed work in FY2022



(Note) The Company conducted a two-for-one stock split of its common shares on October 1, 2023. Stock price and sales of completed work have been revised after reflecting the stock split.


Stock trends

- | | End of
March
2023 | → | End of
September
2023 |
|------------------------------|-------------------------|---|-----------------------------|
| ▪ Stock Price : | ¥1,870 | → | ¥3,050 |
| ▪ PBR : | 0.72 | → | 1.11 |
| ▪ Market
Capitalization : | ¥25.9billion | → | ¥42.2billion |

Action to Implement Management that is Conscious of Cost of Capital and Stock Price (2)

Measures to be adopted

We will work to achieve a 10% ROE and 1.0 PBR by implementing seven measures, with the aim of achieving sustainable growth and the enhancement of our corporate value over the medium to long term.

<p>(1) Achievement of the Medium-Term Business Plan (FY2022 to FY2026)</p>	<ul style="list-style-type: none"> ◆ We will steadily implement plans involving the well-balanced investment of management resources in large construction projects for new bridges, large-scale expressway renovation projects, highly difficult construction projects in the private sector, and other undertakings. ◆ We have formulated and are implementing investment plans consisting of ¥18.0 to ¥20.0 billion in total over the five years of the Medium-Term Business Plan to improve efficiency and optimization of plant production and on-site construction capacity, develop new business, and reinforce our general engineering functions. 	 <p>Design and construction of the Daini-Keihan Road Kadoma East Viaduct (steel superstructure)</p>
<p>(2) Implementation of active IR activities</p>	<ul style="list-style-type: none"> ◆ We will strive to deepen investors' understanding of the Group through financial results briefings, one-on-one meetings, tours, etc. ◆ We created an English website and post timely disclosure materials in English, including General Meeting of Shareholders convocation notices and financial results. ◆ We will update our integrated report, which we started publishing in FY2022, on an annual basis. 	 <p>Nihon Keizai Shimbun advertisement on October 16, 2023</p>


Action to Implement Management that is Conscious of Cost of Capital and Stock Price (3)

Measures to be adopted

<p>(3) Buy-back of shares</p>	<ul style="list-style-type: none"> ◆ We will consider buying back shares under special circumstances, such as another party's release of the Company's shares due to a reduction in cross-shareholdings.
<p>(4) Implementation of a share split</p>	<ul style="list-style-type: none"> ◆ We conducted a two-for-one share split of the Company's common shares on October 1, 2023.
<p>(5) Revision of the dividend policy (implementation of capital efficiency-conscious, flexible shareholder returns)</p>	<ul style="list-style-type: none"> ◆ We will appropriately control the level of equity capital, paying careful attention to maintaining capital efficiency so as to achieve the Medium-Term Business Plan target of 10% ROE. We will maintain a basic policy of implementing a well-balanced capital policy, including investments for sustainable growth and a certain level of capital reinforcement. ◆ We believe that equity capital equivalent to roughly seven months of monthly sales (60% of annual net sales) is required to ensure the sustainable growth, given the accident risks and natural disaster risks we face due to our business characteristics, and we have set our equity ratio target at 55%. ◆ We will implement flexible shareholder returns that are commensurate with performance, with a target total return ratio of 60%, thereby keeping the level of equity capital under adequate control. ◆ Based on our target total return ratio of 60%, we will raise our forecast annual dividend per share for FY2023 from the amount equivalent to a 35% dividend payout ratio announced on May 15, 2023, to the amount equivalent to 60%.

Action to Implement Management that is Conscious of Cost of Capital and Stock Price (4)

Measures to be adopted

<p>(6) Presentation of QUO cards in commemoration of the 20th anniversary of the Company's establishment</p>	<ul style="list-style-type: none"> ◆ We celebrated our 20th anniversary in September of this year. In order to express our appreciation for the continued support of our shareholders, in addition to our commemorative dividend, we will also present commemorative 20th anniversary QUO cards to all shareholders holding one or more unit of shares, as recorded in the final shareholder registry on September 30, 2023. 	 <p>Design of the QUO card</p>
<p>(7) Reduction of cross-shareholdings</p>	<ul style="list-style-type: none"> ◆ We will reduce cross-shareholdings for which we deem the significance of holding these shares to be insufficient based on dialogue with the companies in which we hold shares. We will also reduce the ratio of the cross-shareholdings book value to consolidated net assets to 10% or less as soon as possible during the period of the Medium-Term Business Plan (FY2022 to FY2026). 	

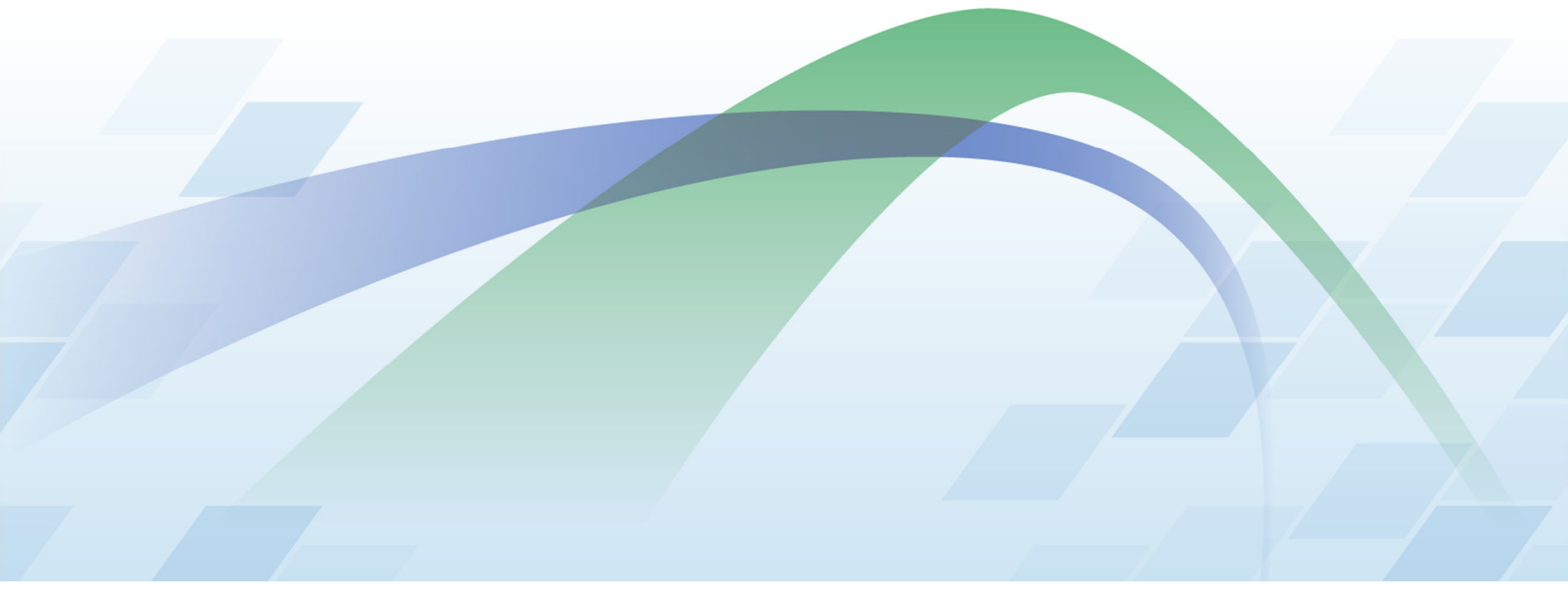
◆ **Important notes regarding forward-looking statements**

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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E-mail: 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)

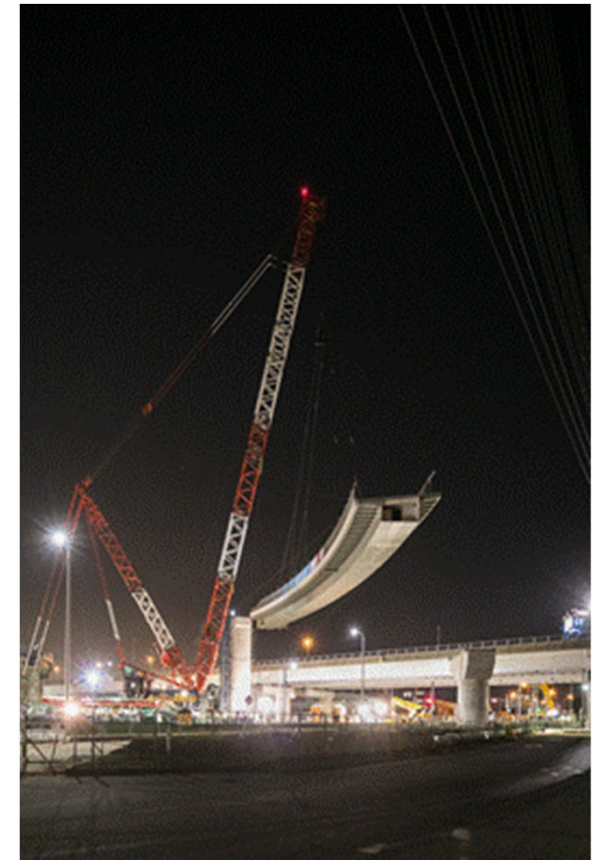
Design, manufacture, installation, sale, and repair of bridges and coastal structures, etc.

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"



Tataru 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



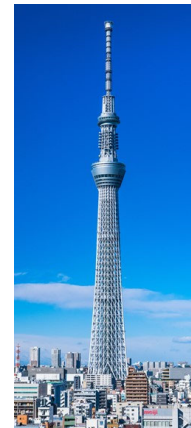
Tokyo Tower (333m)



Kobe Port Tower (108 m)



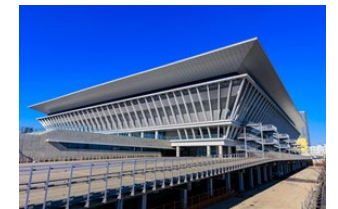
Nagoya Dome



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

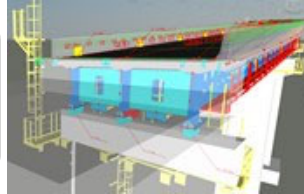
Reliable technologies backed by our experience with numerous projects

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



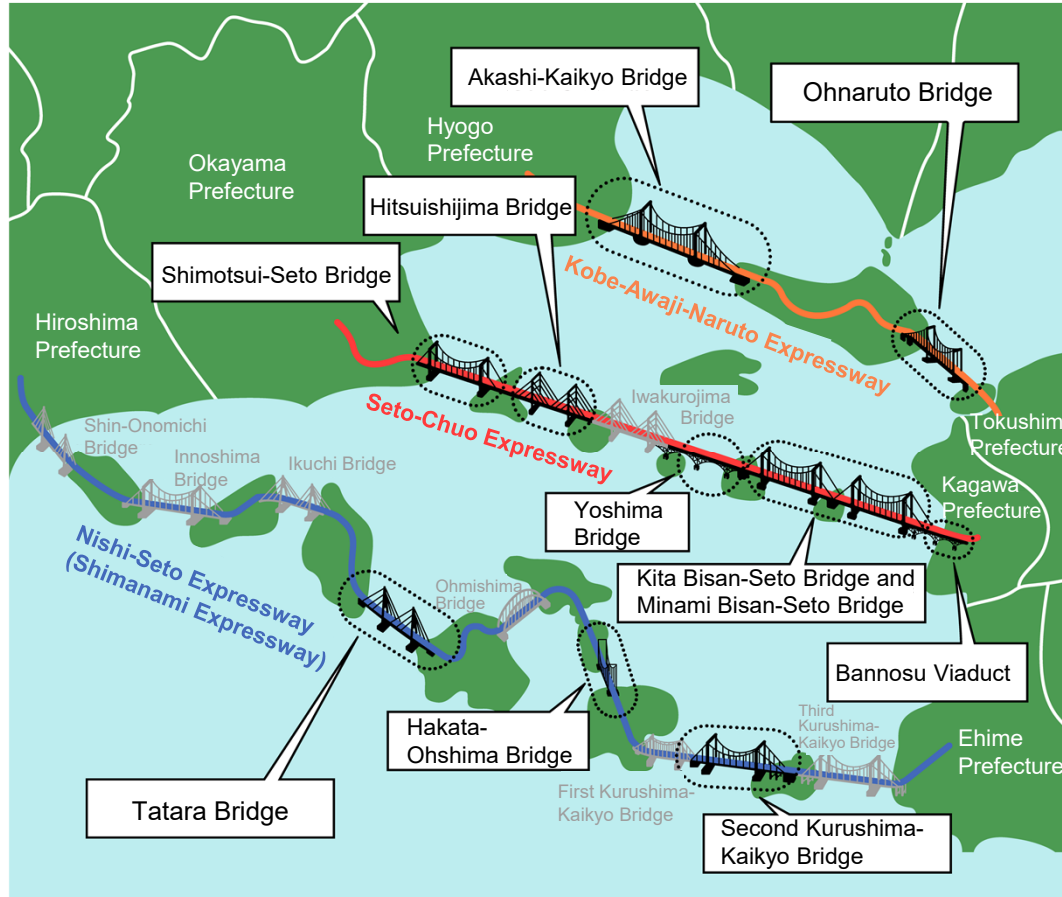
Shimotsui-Seto Bridge



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



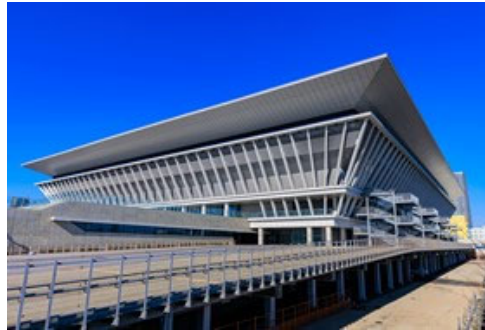
Oita Global Tower

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