Aiming for Sustainable Enhancement of Corporate Value—MIRAIT ONE Group's Growth Strategy—

The MIRAIT ONE Group, established in 2022 through the three-way merger of MIRAIT Holdings Corporation, MIRAIT Corporation and MIRAIT Technologies Corporation has been steadily advancing business structure reforms to go "Beyond a Telecommunications Construction Company" under its Purpose, Mission, and the "MIRAIT ONE Group Vision 2030."

As a result, in FY 2024, the midway point of the 5th Medium-Term Management Plan (FY 2022-2026), the "MIRAI (future) domains," comprising urban and regional development / corporate DX and GX, green energy business, software business, and global businesses, which we have been fostering as new growth drivers, have expanded steadily. Additionally, the consolidation of SEIBU CONSTRUCTION CO., LTD. and Kokusai Kogyo Co., Ltd. in 2022 and 2023, respectively, contributed to recording the highest-ever sales and EBITDA*. In FY2025, we plan not only to renew record-high net sales for the ninth consecutive year, but also to clearly show improvement in profitability, which has been a longstanding challenge, and to aim for record-high operating income.

At this timely moment of improving earnings momentum, we decided to change our representative directors, initiating a co-CEO system with Chairman Nakayama and President Sugahara. We position this system as a "Baton Relay to the Future," and by completing succession "accurately, reliably, swiftly, and smoothly," we aim to clarify growth trajectory not only in sales but also profitability, and to maximize both corporate value and Group synergies through "Beyond a Telecommunications Construction Company."

To achieve this, we will first aim to complete the 5th Medium-Term Management Plan and practically implement our top-priority strategy of "People-centric management" based on a strong "venture spirit" and a "first-person" action philosophy emphasizing proactive engagement. By pursuing further "deepening and exploration," we will balance growth of existing and new businesses and strive for sustainable corporate value enhancement.

We look forward to your continued expectations for the MIRAIT ONE Group as we enter a new stage of growth.

*EBITDA = Operating income + Depreciation + Amortization of goodwill

Representative Director
Chairman and Co-CEO
NAKAYAMA Toshiki

Representative Director
President, Co-CEO and COO
SUGAHARA Hidemune

Succession for the Future

Please tell us about the achievements and challenges in the third year (FY 2024) of the 5th Medium-Term Management Plan.

Nakayama: As achievements in FY 2024, I would first point to the growth in net sales, both organically and inorganically. Inorganic growth benefited from the consolidation of Kokusai Kogyo in 2023, while organic growth was driven by the expansion of green energy, data centers, and construction/civil engineering led by Seibu Construction. Additionally, the telecommunications sector, which had been flat or slightly declining for several years, also grew in FY 2024—a point worth highlighting. This was driven by increased investment by major carriers in expanding communications capacity, and we believe this trend is not temporary and will continue for two to four years.

Sugahara: I also expect major carriers' investments in communications infrastructure to continue for the time being, and we need to respond properly with a solid framework. Meanwhile, overall sales growth continues to be led by the "MIRAI (future) domains," including environmental/social sectors, ICT sector, and global businesses. Moving forward, the "Full-Value Model" in these non-telecommunications fields will be the company's main growth driver.

Nakayama: I see two key challenges to further enhancement of the Full-Value Model.

First is expanding Full-Value Model projects both "vertically and horizontally." Seibu Construction, Kokusai Kogyo, and each of our Group companies are strong and independent "pillars." We now want to link these pillars with stronger "beams" to expand synergies. To this end, we are focusing on multiplying Full-Value Model projects that link pillars and beams under the slogan "Tripartite Synergy," which refer to a combination of our implementation and operational capabilities, Kokusai Kogyo's planning and consulting capabilities, and Seibu Construction's comprehensive strength and construction capabilities.

Second is improving profit margins and productivity through "linking." Specifically, expanding mutual ordering across the three companies will reduce operating and SG&A expenses, improving productivity and profitability. By increasing the share of such projects, we aim to achieve a "virtuous cycle" of high-profit Full-Value Model business.

Sugahara: In the ICT field as well, we will integrate the unique value of each Group company to create full-value solutions for customer challenges, and, through joint sales efforts that increase "cross-selling" and "up-selling" among Group companies, expand synergies.

Moreover, in FY 2024, not only did net sales reach a new high, but EBITDA also set a record, and operating income margin rose by 1.4 points. Steady cost-cutting under MIRAIT ONE Group Vision 2030's Change 3 "Top-class profitability" has contributed significantly. Specifically, in addition to the benefits of the 2022 merger of MIRAIT Holdings Corporation, MIRAIT Corporation and MIRAIT Technologies Corporation, cost savings and efficiency gains from subsidiaries' integration contributed to increased profitability and productivity. As there is still room for improvement, we will continue these efforts.

Nakayama: Building on this, it is essential to further increase the added value and profitability of the "MIRAI (future) domains" and the "Full-Value Model" itself. Regarding the issue of unprofitable projects that surfaced in FY 2023, risk management was strengthened across the company, leading to a significant recovery in profitability over the year. Going forward, to improve the profitability of the business itself, we will accelerate Change 4 "Management based on data insights." The key will be how far we can enhance added value and productivity by combining DX and AI.

Sugahara: Yes. In addition, I plan to pursue three initiatives to further improve profitability.

First, evolving the Full-Value Model "sales approach" from the customer's perspective. In other words, we will strengthen our cross-sell-driven one-stop solutions so that customers — not we ourselves — truly experience the "full value" in resolving their challenges.

Second, clarifying evaluation methods for the performance of Full-Value Model projects. By visualizing a mechanism for assessing and distributing achievements when we successfully deliver one-stop solutions by bringing together the Group's diverse resources, we aim to further motivate our talent.

Third, since there are still missing pieces to complete the Full-Value Model, we will continue considering how to add them, including potential M&A.

On the business structure reforms to go "Beyond a Telecommunications Construction Company," could you summarize the progress so far and share the future direction?

Nakayama: Including the seven years since I became president of MIRAIT Corporation in 2018, our sales have reached record highs for eight consecutive terms. The non-telecommunications ratio has expanded from 27% in FY 2011 to 60%, and the ratio of the MIRAI (future) domains from 29% in FY 2022 to 43%, indicating that our business structure reforms toward going "Beyond a Telecommunications Construction Company" have progressed smoothly in terms of sales. On the other hand, improving profitability and profit margins remains a challenge. While bold challenges in new areas such as green energy, urban development, and M&A have driven steady portfolio transformation, the scale of risk has expanded in proportion to these challenges, and some of these risks surfaced as unprofitable projects in FY 2023. As previously mentioned, our risk management capabilities have improved greatly over the past year, and social needs relating to MIRAI (future) domains continue to grow. Therefore, I believe our Group has entered a phase where we should pursue a high-profit model within the MIRAI (future) domains.

Sugahara: I agree. I believe the biggest remaining challenge for realizing the MIRAIT ONE Group Vision 2030 is to pursue further Group synergies through the Full-Value Model and increase our profit margin. We need to shift from the phase of "adding" to grow our businesses to a phase of "multiplying"—combining individual businesses to generate synergistic effects. As previously mentioned, by changing our sales approach, reviewing the Full-Value Model from the customer's perspective, and clarifying our future technology focus to build even greater strengths, we aim to practice a "multiplication" approach to management and accelerate profit growth.

Nakayama: The "Tripartite Approach" that our company, Seibu Construction, and Kokusai Kogyo launched starting in 2024 is precisely aimed at generating Group synergies. In addition, I believe our strengths in the "ICT field," "global businesses," and "regional revitalization" will also be key. In the ICT field, we have strength in our business foundation itself, and in the global businesses, the rapidly growing data center business now accounts for 90% of the segment. Our strength in "regional revitalization"—formed through alliances—has been further reinforced by consolidating Kokusai Kogyo into the Group.

Sugahara: From a Full-Value Model perspective, "regional revitalization" stands out among these three strengths. As you said, adding Kokusai Kogyo's consulting capabilities and solid customer base among local governments has been a major step forward.

Nakayama: Including that point, the series of business structure reforms and M&A activities have been aimed at transforming our Group from "management that runs with the wind" to "self-driven management." Until now, our Group has grown by riding tailwinds such as the expansion of the mobile phone market, fiber-optic market during the COVID-19 pandemic, and the data center market, and this "market follower" business model will remain important going forward as well. However, if we rely on it alone, our growth will stall when the market expansion (tailwinds) ends. Moving forward, it is vital to develop a "self-thinking, self-driven capability"—to think for ourselves, drive our own engine, and keep moving forward even when the wind stops. This is why we integrated Kokusai Kogyo and Seibu Construction into the Group. In addition to a demand-driven, passive business model such as responding to bid invitations and incoming inquiries, our Group will implement a "market-creating" Full-Value Model by independently planning and proposing urban development, regional revitalization, and disaster-prevention infrastructure management projects, and executing them all the way through to construction. Through this proactive approach, we aim to achieve significant improvements in profitability and enhance corporate value.

What is the purpose of the new management structure from June 2025 onward?

Nakayama: The objective of this new structure is encapsulated in the phrase "Baton Relay to the Future" in the introductory message. Succession is a highly important theme, without even invoking the Corporate Governance Code, and attracts capital market attention. While there are various approaches to succession, our MIRAIT ONE Group is right in the middle of business transformation—radically changing our business structure and shifting into new domains. While net sales have steadily increased even as the composition of our business has changed, profits dropped sharply two years ago, and although they bottomed out last year, they have not yet fully recovered. With these circumstances in mind, we carefully considered how to proceed with the succession of the president, and as a result decided on this "co-CEO system."

The main theme of this succession is to hand over the baton "accurately, reliably, swiftly, and smoothly." In the baton exchange zone, both the first and second runners must be running at full speed. To win the race, the baton must be passed seamlessly to the next runner, who is also running at a top speed. Dropping the baton results in disqualification. For a company like ours with many remaining challenges despite performance growth, many issues can arise during leadership transitions. Therefore, the baton must be passed “accurately, reliably, swiftly, and smoothly.” Both the outgoing and incoming presidents run side by side to steadily advance the Baton Relay to the Future. That’s the kind of succession plan we intend to execute.

Sugahara: Largely overcoming a period of profit instability and aiming for record operating income in FY 2025, this is the optimal time for the baton relay. If we don’t proceed “accurately, reliably, swiftly, and smoothly,” small missteps—like allowing a bloop hit in baseball—may occur. My role is to receive the baton from Nakayama-san as early and firmly as possible and learn to run on my own going forward.

Nakayama: As Co-CEOs, Sugahara-san and I will divide responsibilities, including business strategy, M&A and other structural transformations. At the same time, Sugahara-san will concurrently serve as COO overseeing operations, while I will primarily supervise staff divisions.

How do you view the business environment over the short, medium and long term?

Nakayama: The demand for complex and integrated themes such as “urban and regional development and corporate DX/GX” is currently expanding, and we expect this trend to continue over the medium to long term domestically.

In particular, accidents caused by aging infrastructure have recently become frequent, while local governments and others face strained maintenance resources. By consolidating Kokusai Kogyo, our Group has gained the ability to fully roll out our “public infrastructure management business.” We intend to leverage this strength to actively capture such supply-demand gaps as business opportunities. More recently, together with other companies, we were awarded a long-term project, extending to 2030, to comprehensively maintain roads and surrounding infrastructure

in Sayama City, Saitama Prefecture. This consortium consists of our company, Seibu Construction, Kokusai Kogyo, Maeda Road Construction Co., Ltd, and Nippon Giken Co., Ltd. We will increase similar projects going forward, expanding synergies by combining our telecommunications/road/water & sewer/power infrastructure maintenance capabilities with Kokusai Kogyo’s consulting capabilities and customer base, and Seibu Construction’s comprehensive strength and railway infrastructure maintenance capabilities. We intend to develop this into a high value-added Full-Value Model that can manage entire municipalities and public infrastructure.

Sugahara: Public infrastructure management is a major business opportunity, with the potential to expand synergies among the three companies and further grow the MIRAI (future) domains. It leverages the respective strengths of Kokusai Kogyo and Seibu Construction. Additionally, our Group’s nationwide network of partner companies, cultivated through telecommunications construction, enables us to provide 24/7 maintenance coverage, which is a key strength. Recently, orders for ZEB (net zero energy building) renovation projects for local governments have begun to increase, and public infrastructure management is steadily accumulating track records while demonstrating the synergy of the three companies. Furthermore, in March of this year, we began initiatives toward establishing a regional energy company in Namie Town, Fukushima Prefecture. This project, promoted as a consortium with the town and Takuma Energy Co., Ltd., aims for “local production and consumption of energy” (see p.55), with regional sustainability, environmental consciousness, and recovery from the Great East Japan Earthquake in mind.

Since the personnel shift to these growth areas is progressing as planned, we will accelerate these efforts to focus on realizing a highly profitable model.

Meanwhile, in the telecommunications field, we are boldly incorporating growth areas and new technologies, such as the shift by major carriers to software-based and cloud-based solutions, to drive the Group’s growth. Because operation becomes crucial with the shift to software-based and cloud-based solutions, we are currently focusing on cultivating and strengthening operational human resources, including cloud and software talent, to expand the business.

Please tell us about the key initiatives from the fourth year of the Medium-Term Management Plan onward, as well as your future outlook.

Nakayama: As Sugawara-san mentioned earlier, we aim for record-high performance in FY 2025, including operating income. How do you plan to ensure this goal is achieved?

Sugahara: Regarding sales, we will steadily grow by thoroughly completing projects in the thriving Environmental & Social Innovation Business, ICT Solutions Business, and NTT business. Expanding recurring revenue is critically important for sustainable growth, so we will strengthen the Operation & Maintenance (O&M) business. Leveraging our nationwide onsite capabilities, experience in operating customer systems, and software and cloud operation skills, we will expand O&M not only within the ICT Solutions Business but also in the telecommunications infrastructure business and Environmental & Social Innovation Business. We will also pursue necessary M&A.

Regarding profit, besides completing various initiatives under Change 3 “Top-class profitability,” we will pursue productivity improvements such as standardizing construction-related processes and DX. We will also maximize the benefits from the restructuring conducted this January of five subsidiaries mainly involved in the NTT business, which led to the establishment of MIRAIT ONE NEXT Corporation . Furthermore, we will continue the risk management initiatives that have been established to prevent unprofitable projects, thereby improving profit margins. We will also steadily implement inflation-linked price adjustment measures in response to the current increases in labor costs, inflation, and material price increases.

Please tell us about the progress so far and the key initiatives going forward for “5 Changes (Change 1–5),” the growth strategy under the MIRAIT ONE Group Vision 2030.

■Change 1: “People-centric management”

Nakayama: As part of senior work style reforms, we have recently expanded our “post-retirement reemployment system.” While Japan faces a declining birthrate and aging population, life expectancy and healthy life expectancy are increasing. In our company, the retirement age is 62, but many employees have strong abilities and a willingness to contribute to society beyond that age. We decided it is beneficial for those still able and eager to work to continue actively, so we drastically improved the reemployment system. Now, all who wish can work until age 65, and beyond that, employees can continue working up to around age 70 through a system that matches skills with needs.

Sugahara: Another major point is that treatment for employees aged 63 to 65 has been greatly improved from before. In our Group, where constant labor shortages continue, encouraging skilled and certified individuals to work longer as “active workers” helps maintain business competitiveness while passing skills to younger generations. As a fundamental prerequisite, we are working to expand hiring while also strengthening retention measures through personnel system reviews, including enhancing overall treatment and establishing a multiple-track personnel promotion system (see p.39 “Message from the CHRO”).

Nakayama: We are also further strengthening our in-house university “Mirai College.” Usage within the Group has progressed well, so now we focus on increasing usage by partner companies outside the Group. This is the flip side of another key initiative of Change 1, “Personnel shift to growth areas.” To promote human resource flow to growth areas across the Group ecosystem including partner companies, each employee needs to change themselves (self-transformation) and accumulate new skills and experiences. Creating a “learning environment” including Mirai College will remain one of our most important initiatives.

Sugahara: It is encouraging that engagement scores are gradually rising thanks to the series of human resource measures. During my first year with the company, I visited about 50 locations and engaged in dialogue with onsite employees. One of them asked me a straightforward question: “What is people-centric management?” This made me realize that the phrase “people-centric management” is, unexpectedly, rather management-oriented. As Nakayama-san said earlier, Mirai College usage and engagement scores are rising, indicating “people-centric management” has been steadily taking root in the workplace. Therefore, ever since that question was asked, I always make sure to say “people-centric management where employees play the leading role.”

■Change 2: “Acceleration of business growth”

Nakayama: As a new growth driver, I’d like to start by discussing the data center business, which recorded orders of 46 billion yen in FY 2024—a 28% increase over the prior year. This business centers on cabling—complex wiring work and telecommunication equipment installation connecting servers and racks within data centers—as well as electrical work for UPS and emergency power, air conditioning installation, and even data center operations, and is deployed across 12 countries and regions in Asia, including Japan. Currently, to further develop this business, we are working toward Full-Value Model orders that include building construction by Seibu Construction, which, if realized, will enable us to deliver unmatched “one-stop solutions” that handle both cabling and building construction seamlessly. This will provide customers added value such as "waste reduction, shorter construction periods, and cost savings." In addition, by upscaling and adding value to our projects, it will also benefit partner companies, establishing a "Win-Win-Win" high-profit business model.

Lantrovision (S) Ltd., in particular, is a top-tier player in Asia, with most of its business centered on data center-related work, and continues to expand. We aim to build on these solid strengths and develop a high-value Full-Value Model that includes building construction.

Sugahara: Demand for data centers has been diversifying in recent years. To meet demands for early expansion, decentralization, and flexibility, we are focusing on a new initiative, the container-type data center business (see p.35 "Feature Article"). In this business, we will provide GPU resources, which are experiencing soaring demand, on a small-scale, short-term, and timely basis, and address cutting-edge needs such as using renewable energy through secondary cells and introducing water-cooling methods. At present, we are focusing on building up orders, and going forward we plan to develop new business models linked to cloud projects—including collaboration with system integrators and others—as well as expand our sales channels.

Nakayama: We are also focusing on the further evolution of our ICT business, which is both a growth driver and highly profitable. We are pursuing advanced technologies such as virtualization and data insight, expanding the value we provide by capitalizing on strengths developed from our roots in telecommunications construction, and enhancing regional responsiveness through multi-skilling and nearshore development.

Sugahara: To that end, we will further enhance Group-wide business value by undertaking large-scale projects and securing and developing talented personnel, centering on MIRAIT ONE SYSTEMS Corporation, which consolidates software-related resources within the Group. Specifically, we will position MIRAIT ONE SYSTEMS as a CoE (Center of Excellence) to lead software- and cloud-related businesses of Group companies. While combining customer needs with our strengths, we will also expand new collaborations with external partners, supporting customers' DX and GX and delivering high-value-added solutions such as AI, autonomous robotics, and drone image analysis.

Nakayama: In the global businesses, another growth driver, we are expanding profits through the data center business mentioned earlier. We are also advancing "selection and concentration," such as proceeding with the liquidation of our telecommunications construction subsidiary in the Philippines. Conversely, for our tower business, we are working on strengthening the foundation to enhance future growth potential.

Sugahara: Constantly reviewing our business portfolio is essential. For the global businesses going forward, it is important to establish the business foundation through selection and concentration and, at the same time, to enhance our partnership strategy to drive expansion through collaboration. We want to nurture the global businesses as a major pillar of the MIRAIT ONE Group.

■Change 3: "Top-class profitability"

Nakayama: In this strategy, both a "Structural Approach" and an "Operational Approach" play a part. Profitability in the telecommunications infrastructure domain has been steadily improving through the Structural Approach centered on the integration of the three companies. Meanwhile, in the Operational Approach, initiatives such as standardizing construction manager operations using DX are gradually producing cost improvements.

Sugahara: In particular, regarding DX, the ICT business resources discussed earlier are contributing not only to customers but also to our Group's efficiency and cost reduction. Moving forward, advancing DX ourselves—including in software and AI—will further improve our solution capabilities for customers. Especially at our many field sites, there is a lot we can transform through DX and AI. To further strengthen our frontline capabilities, we intend to drive reforms by the frontline, for the frontline.

■Change 4: "Management based on data insights"

Nakayama: The efforts in Change 3 serve as the driving force for Change 4: "Management based on data insights." In particular, Sugahara-san has accumulated extensive knowledge and experience in AI since his previous role. I have high expectations that this will not only further increase the value of our Group's business but also help strengthen our information security foundation.

Sugahara: Thank you. While I will basically carry on the strategies and initiatives led by Nakayama-san such as the Medium-Term Management Plan and 5 Changes, I intend to make full use of the knowledge I have built up to specifically advance Change 4 "Management based on data insights" as a new growth driver for our Group.

For management based on data insights, there are "bottom-up approaches" triggered by on-site needs and "top-down approaches" triggered by management challenges, and we will work on both fronts.

To that end, we will make full use of the core system we revamped last year as the foundation for management based on data insights, and since data utilization will become particularly important, we are working to strengthen recruitment of data scientists.

■Change 5: "Strong foundation for ESG management"

Nakayama: Going forward, we will continue to focus on ESG management as a measure to strengthen the foundation for enhancing our Group's corporate value and maximizing synergies. Through "investment in human capital," we aim to link improvements in individual employee engagement and performance to revenue growth. Additionally, initiatives in DEI (Diversity, Equity & Inclusion) will diversify ideas and risk-taking mindsets, driving the resolution of advanced social issues and fostering innovation, which will enhance corporate value. Furthermore, through the accumulation of "GHG reduction contribution" via renewable energy-related businesses, we will enhance the environmental and social value of our business. We also aim to reduce capital costs and increase corporate value by lowering the "investment hurdle rate" and future carbon tax burden through decarbonization initiatives within our own Group.

Sugahara: I fully agree. It is important to link ESG initiatives directly with our businesses. In FY 2024, we newly expressed support for the TNFD* recommendations and launched efforts in human rights due diligence and AI governance under the "Supply Chain Sustainability Promotion Guidelines" established in November 2024. In labor safety as well, under the slogan "Safety Through Science," we are carefully addressing changes in the nature of industrial accidents following the consolidation of Seibu Construction and Kokusai Kogyo. Going forward, we also plan to strengthen the use of AI in initiatives to prevent industrial accidents. Through ESG, we will continue to reinforce our business foundation.

*Taskforce on Nature-related Financial Disclosures

Finally, please tell us about the "Baton Relay to the Future" and your thoughts on the MIRAIT ONE Group going forward.

Sugahara: Our company's roots are in telecommunications construction, and its scale has grown by bringing together a variety of companies. Yet, we still retain a strong venture spirit that values "taking on challenges." In that regard, having taken on challenges in cutting-edge fields of each era—such as artificial satellites and AI—in my previous roles, I love and deeply resonate with our Group's Purpose: "Co-creating an 'exciting future' through challenges and technology." Over the past year I have spoken with many on-site employees and found that they all work proactively, with a strong sense of ownership, acting in the "first person." Going forward, I believe it is essential to maintain and leverage this venture spirit and first-person mindset while continuing to improve ourselves and contribute to the team toward shared goals under the spirit of "ONE for All, All for ONE," thereby maximizing the value we deliver to external stakeholders. I believe this is indispensable for our Group's sustainable growth and the enhancement of corporate value.

To achieve this, it is necessary to balance "what already exists" and "what is new." Nakayama-san has expressed this with the word "不易流行"—the principles of immutability and fluidity. I intend to further develop this way of thinking under the words "深化と探索"—deepening and exploration. By deepening what already exists in our Group and exploring what is new, we will create new pillars. I believe that by continuing these efforts, and ensuring more customers choose us as a partner, we will realize our Purpose.

It is also important to maximize synergies among the businesses we have added so far through a "multiplication" approach to management. That is how we can maximize value for our customers.

Nakayama: I understand very well. If our efforts for MIRAIT ONE Group Vision 2030 are likened to "building a house," as the first runner, I laid the "foundation" with the three-company merger to create MIRAIT ONE Corporation, and erected seven strong pillars: TTK Co., Ltd., SOLCOM Co., Ltd., Shikokutsuken Co., Ltd., Lantrovision (S) Ltd., MIRAIT ONE SYSTEMS Corporation, Seibu Construction, and Kokusai Kogyo.

I hope Sugahara-san will finish the house by putting up the "walls" and adding the "roof" on that foundation and framework. With the next Medium-Term Management Plan formulated under Sugahara-san's leadership, I look forward to the broad framework I built evolving in line with the times and to seeing the house-building progress in a way that only Sugahara-san can achieve. And the ones who will play the leading role in building the house and living in the finished house, are each and every one of our people. I am convinced that Sugahara-san's excellent "on-site perspective" will be a tremendous asset there as well. That is why we will complete this succession "accurately, reliably, swiftly, and smoothly," and strive to deliver on the expectations of our shareholders, investors, and all stakeholders.

Introduction
Transformation on Track
Materiality Initiatives
Data

Transformation on Track

Roadmap for Realizing the Future Vision

Under the business structure reforms and growth strategies, the MIRAIT ONE Group will continue to fulfill its responsibility to “create and protect” social infrastructure. Aiming to contribute more than ever to solving social problems and go “Beyond a Telecommunications Construction Company,” we will pursue sustainable growth by continuing to take on bold challenges based on the change and growth of each individual employee, and by accumulating achievements.

Past/Present

FY 2010 - FY 2021:

Expanded business domain and strengthened management base to establish a “comprehensive engineering and servicing company”

- Captured the growth of the mobile telecommunications market and aggressively expanded ICT business and environmental/social innovation business
- Expanded regional business/software business/overseas business through M&A in Japan and other countries
- In ten years, net sales nearly doubled and operating income margin improved by 4.8 point
- Formulated materiality

FY 2022 -:

Launched full-scale business reform toward “Full-Value Model” with the aim of going “Beyond a Telecommunications Construction Company”

- Executed transformation into a future implementation company, promoting total solutions from planning to design, construction, and operation with solid strengths in “telecommunications,” “electricity,” “ICT,” “civil engineering,” “architecture,” and other fields.

FY 2023 -:

Acceleration of “Business Transition to Growth Areas”

- DX promotion for existing businesses
- Record-high sales for eight consecutive terms through FY 2024
- Acceleration of “Business Growth through Human Resource Development”
  - •About 1,000 employees will be transferred to growth areas by FY 2026 based on a medium-term human resources mobility plan.
  - •Formulating the “Human Resources Version: MIRAIT ONE’s Value Creation Model”
  - •Employee-oriented work style reform and strategic human resources development

FY 2011
Actual results

Net sales
236 billion yen
Operating income (margin)
5.2 billion yen
(2.2%)

FY 2024
Actual results

Net sales
578.6 billion yen
Operating income (margin)
28 billion yen
(4.8%)

MIRAI (future) domains ratio: 43%
Non-telecommunication business ratio: 27% (FY 2011), 60% (FY 2024)

MIRAIT Holdings Corporation established in 2010

MIRAIT ONE Corporation established in 2022

1st to 4th Medium-term Management Plans

5th Medium-term Management Plan

Future

FY 2025 -:

Toward further expansion of “MIRAI (future) domains” and profit growth

- Expansion of urban and regional development/corporate DX and GX/green energy business
- Pursuit of tripartite business synergies among MIRAIT ONE Corporation, SEIBU CONSTRUCTION CO., LTD., and Kokusai Kogyo, Co., Ltd., and expansion of the Full-Value Model (Zero Carbon City projects / Public Infrastructure Management projects)
- Strengthening business profitability of the MIRAI (future) domains (Strengthening advanced fields such as data centers, increasing the added value of each business, etc.)

FY 2025
Plan

Net sales
620 billion yen
EBITDA margin
7.7 %
Operating income margin
5.5 %

43% (MIRAI (future) domains ratio)
62% (Non-telecommunication business ratio)

MIRAIT ONE Group Vision 2030

FY 2026
Medium-term management plan targets
(Revised in November 2024)

Net sales
720 billion yen or more
EBITDA margin
8.5 %+
Operating income margin
6.5 %+

45%+ (MIRAI (future) domains ratio)
70%+ (Non-telecommunication business ratio)

MIRAI (future) domains ratio

Non-telecommunication business ratio

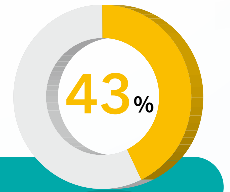
For details of the 5th Medium-term Management Plan and MIRAIT ONE Group Vision 2030, please refer to the “Evolution of Medium-term Management Plan and Long-term Vision” on pages 21-22.

At a Glance

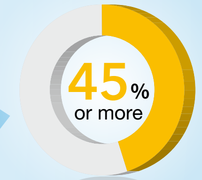
Business of MIRAIT ONE

To achieve the goals of the 5th Medium-Term Management Plan, MIRAIT ONE Group has divided its business into "Corporate/Environmental and social Infrastructure domain," which focuses on solutions business, and "Telecommunications infrastructure domain," which deals with the domestic telecommunications construction business. Within these domains, MIRAIT ONE Group is operating four businesses as shown below. Furthermore, by defining growth areas as the "MIRAI (future) domains" and mobilizing and concentrating its management resources including SEIBU CONSTRUCTION CO., LTD. and Kokusai Kogyo Co., Ltd., which were consolidated in 2022 and 2023 respectively, the Group is accelerating its transition to a new stage of growth. The transformation of the business portfolio is progressing steadily in terms of net sales, and the Group is focusing on initiatives for further profit growth.

Actual MIRAI (future) domains ratio for FY 2024



Of the FY 2026 sales target of 720 billion yen, the Group will seek to increase the MIRAI (future) domains ratio to 45% or more

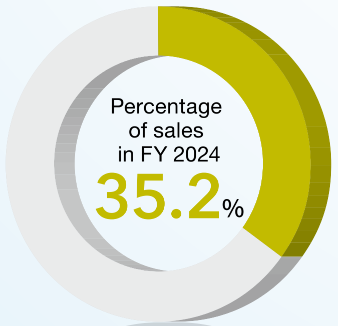


MIRAI (future) domains ratio target for FY 2026

- **Areas that target business growth will be defined as the "MIRAI (future) domains"**
- **The focus of the "MIRAI (future) domains" will be primarily on the four areas: "urban and regional development/Corporate DX and GX," green energy, software and global businesses, and on promoting these businesses in "full value."**

Corporate/Environmental and Social Infrastructure domain

Environmental and Social Innovation Business



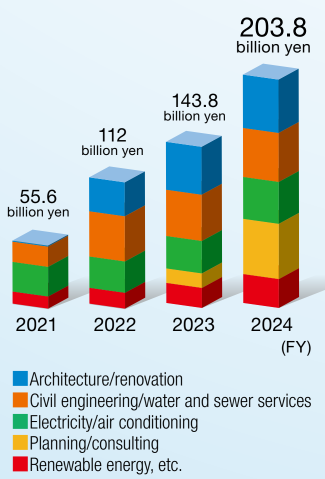
Major services
- Renewable energy
- Planning/consulting
- Electricity/Air conditioning
- Social infrastructure (Civil engineering/Water and sewer services)
- Architecture/renovation

Providing a comprehensive range of solutions for the above areas

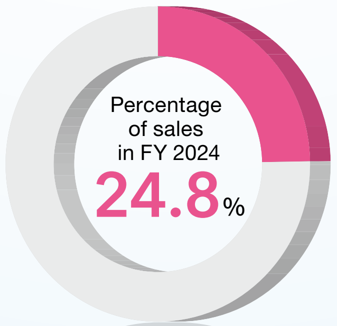
Major customers
- Local governments
- Private enterprises

Others

Sales breakdown in the past four years



ICT Solutions Business

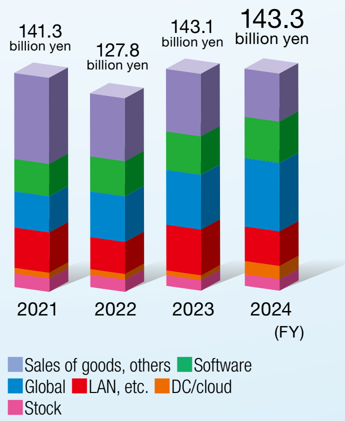


Major services
- Construction of ICT infrastructure related to cloud, office solutions, Wi-Fi, etc.
- Software, global, and product sales businesses

Major customers
- Private enterprises
- Local governments

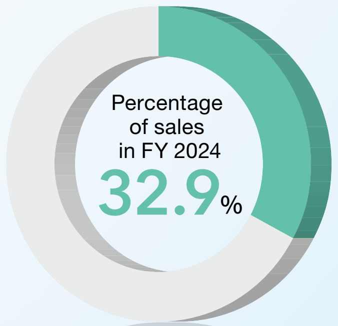
Others

Sales breakdown in the past four years



Telecommunications infrastructure domain

NTT Business

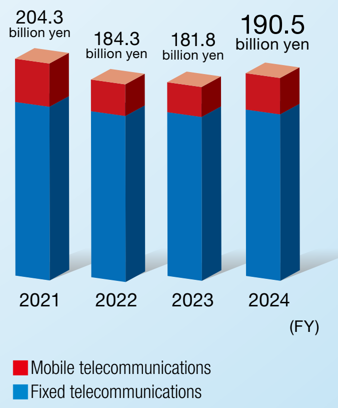


Major services
- We conduct the construction and maintenance of fixed and mobile telecommunications equipment for NTT Group nationwide.

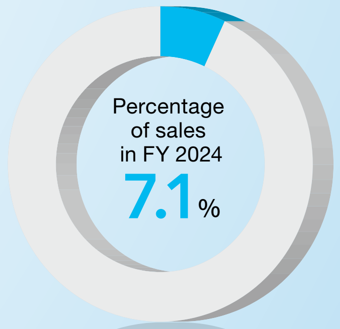
Major customers
- NTT EAST, Inc.
- NTT WEST, Inc.
- NTT DOCOMO, INC

Others

Sales breakdown in the past four years



Multi Carrier Business

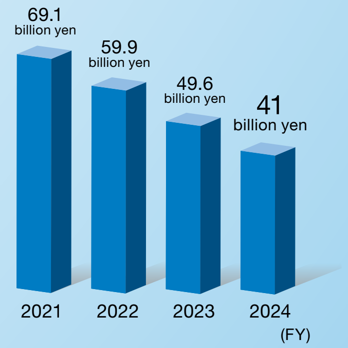


Major services
- We conduct the construction and maintenance of fixed and mobile telecommunications equipment for NCC nationwide.
- We also conduct business related to CATV construction and broadcast radio wave (television reception measures).

Major customers
- KDDI Corporation
- Softbank Corporation
- Rakuten Mobile, Inc.

Others

Sales breakdown in the past four years



Management Resources for Growth Driver

Management Resources to Accelerate Revenue Growth in Growth Areas

Utilizing and developing the strengths cultivated through the telecommunications construction business, we have steadily advanced our business structure reforms; from here onward, we will further reinforce these reforms with regard to profitability. To accomplish this, we will continue to refine the "strengths and characteristics" of our six forms of capital—including non-financial capital. Additionally, by expanding synergy creation—centered on key Group companies—in terms of management resources as well, we aim to improve capital efficiency and PBR, thereby driving sustainable enhancement of corporate value.

Human Capital

Strengthening the development of "self-thinking, self-driven" personnel" through Change 1: "People-centric management"

Strengths and Characteristics in Growth Areas

- Increase in specialized personnel for urban and regional development and corporate DX/GX, and trust from customers
- Growth in sales personnel who facilitate smooth relationships with customers
- Broad technology base acquired through M&A
  (350 certified "Professional Engineers"), extensive multi-engineering experience
- Steady personnel integration with SEIBU CONSTRUCTION CO., LTD., Kokusai Kogyo Co., Ltd., and Koyo Engineering Corporation
- Engineers with high problem-solving abilities/skilled workers/trusted construction managers/versatile software engineers

Further Strengthening Measures in Growth Areas

- Further accelerating personnel shift to growth areas, i.e., MIRAI (future) domains, to achieve KPI targets
- Expanding cross-selling personnel across departments and proposal-driven personnel
- Promoting multi-skilling to increase value created per employee
- Supporting career advancement through planned, strategic training and interviews
- Further accelerating the expansion of MIRAI (future) domains by promoting qualification acquisition (reward system for qualification acquisition)
- Personnel exchanges to encourage experience in diverse operations and organizational cultures
- Strengthening engineering personnel (mid-career recruitment)
- DX human resource development

KPIs or Quantitative Targets, etc.

- Personnel shift to growth areas: Over 1,000 people (FY 2026)
- Engagement survey rating score: 52 or higher (FY 2026)
- For details, see "Human Resources Version: MIRAIT ONE's Value Creation Model" (see p.39)

Intellectual Capital

Further utilization of AI/DX and partnerships with innovative venture firms

Strengths and Characteristics in Growth Areas

- Extensive skills in urban and regional development and corporate GX/DX, including areas such as data centers/power storage plants/smart grid/smart city
- Advantages in management resources and technical expertise in ICT
- Processes and techniques of value engineering
- Expertise in quality control, occupational health and safety, and environmental protection

Further Strengthening Measures in Growth Areas

- Fostering a "self-thinking, self-driven capability" through further enhancement of research and development capabilities
- First, expanding implementation of AI/DX within the Group for productivity improvement, then rolling out as services for customers
- Broadening investment in venture companies to acquire new technical knowledge, know-how, and ideas
- Introduction of new technologies and open innovation in MIRAI (future) domains
- Fostering and leveraging DX promotion talent
- Expanding the number of generative AI users

KPIs or Quantitative Targets, etc.

- Number of DX core talent developed: Approx. 2,000 personnel (FY 2026)
- Number of Mirai College courses: Over 500 (FY 2026)

Engineering Capital

Accelerating visualization, standardization, and DX of frontline capabilities under the extensive Group network of bases

Strengths and Characteristics in Growth Areas

- Business locations and Group company network spanning a wide range of countries and regions domestically and internationally
- Continuous updating of ICT service infrastructure and core systems
- Initiatives toward introduction of edge AI and robotics
- Visualization and standardization of technical know-how in growth areas, sharing engineering capabilities as a team

Further Strengthening Measures in Growth Areas

- Offensive DX (development of a knowledge-based data environment and further optimization of sales approaches)
- Defensive DX (further promotion of value chain reform, smart construction, and further utilization of BPO/RPA/robotics)
- Further utilization of generative AI (development and deployment of AI applications)
- SD-WAN (Software-Defined Wide Area Network)
- Construction and operation of own data centers
- Construction of container-type DC and network DC (mechanism to link with rental data centers via underground cables)
- Full utilization of revamped core systems

KPIs or Quantitative Targets, etc.

- Improving profit margin of carrier business through DX reforms: 3 points or more compared to FY 2022 (by FY 2026)

Social and Relationship Capital

Growing customers, partners, and end-users in growth areas

Strengths and Characteristics in Growth Areas

- Social and relationship capital is expanding in growth areas, not only in terms of customer numbers but also end-users beyond the customers.
- The customer base and end-users are growing through Group integration of SEIBU CONSTRUCTION CO., LTD. and Kokusai Kogyo, Co., Ltd., and through a "Tripartite Approach" and "Synergy Creation" with both firms; partner companies of each Group company are also increasing in growth areas.
- Acquisition of touchpoints with about two-thirds of municipalities and government bodies nationwide through Group integration of Kokusai Kogyo, Co., Ltd.
- MIRAIT ONE Partners organized for co-creation among partner companies
- Implementation of initiatives in line with the "Declaration of Partnership Building"

Further Strengthening Measures in Growth Areas

- Further expansion of the customer base, end-users, and partners through new M&A executions
- Addressing the materiality of "Co-creation of social value through collaboration with partners"
- Promoting strengthening of new technology adaptation capabilities and multi-skilling through collaboration with partner companies
- Clarification of quality standards and continuation of confirmation and verification of quality in each operation
- Expansion of social value through disaster recovery support and the continued implementation of community contribution activities and communication with local communities

KPIs or Quantitative Targets, etc.

- Number of Mirai College users: Over 23,000 people including partner company personnel (FY 2026)
- Partner company usage rate: 65% or higher (FY 2026)

Financial Capital

Promoting growth strategies from a cash-flow management and balance-sheet perspective

Strengths and Characteristics in Growth Areas

- Newly added EBITDA margin as a KPI to accelerate cash flow management
- Stable financial foundation supporting growth strategies from a balance-sheet perspective
- Enhancement of corporate value by balancing financial discipline with effective use of financial leverage

Further Strengthening Measures in Growth Areas

- Promoting a financial capital strategy that supports maximizing Group synergies, adding higher value to the MIRAI (future) domains, and strengthening risk management
- Continuing cash allocation that links growth investments with shareholder returns (stable dividend growth and flexible share buyback)
- Intending to further enhance corporate value by directing cash inflows from business earnings and effective debt use toward growth investments (planning over 50 billion yen for human capital, DX, and growth businesses, and over 100 billion yen for M&A during the 5th Medium-Term Management Plan period)

KPIs or Quantitative Targets, etc.

- ROE of 10% or higher, annual EPS growth rate of 10% or higher
- Total return ratio target range of 50% to 70%
- Actively retiring treasury stock that has no intended use
- Maintaining PBR over 1.0

Natural Capital

Promoting GX businesses to solve environmental issues and advancing initiatives to reduce our own environmental impact

Strengths and Characteristics in Growth Areas

- Contributing to greenhouse gas reduction through addressing materiality: "Realization of a decarbonized society through business activities" and "Contribution to environmentally-friendly urban and regional development"
- FY 2030 greenhouse gas emission reduction targets certified by SBTi (Science Based Targets initiative)
- Maintaining a CDP "Climate Change" B rating
- Declaration of support for the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations

Further Strengthening Measures in Growth Areas

- Leveraging our own environmental impact reduction know-how in GX solutions and other businesses
- In FY 2024, recorded net sales of 19 billion yen in the "Green Energy" business of the MIRAI (future) domains, a 31% increase over the previous fiscal year.
- In FY 2025, aiming for net sales of 29 billion yen, 1.5 times the amount in FY 2024 by adding the results of initiatives such as EV-related collaborations and development of power storage plant channels advanced in FY 2024.
- Achieving 100% renewable energy adoption for company-owned buildings (FY 2025 plan)
- Percentage of EV/HV for general-purpose vehicles: over 40% (FY 2025 plan)

KPIs or Quantitative Targets, etc.

- GHG reduction targets (MIRAIT ONE Group excluding Kokusai Kogyo Co., Ltd.)
  FY 2030: 42% down compared to FY 2020
  FY 2030: 25% down compared to FY 2020
- GHG reduction targets (Kokusai Kogyo Co., Ltd.)
  - Scope 1+2 (absolute GHG emissions)
    FY 2030: 70% down compared to FY 2019
    FY 2050: 90% down compared to FY 2019
  - Scope 3 (absolute GHG emissions)
    FY 2030: 50% down compared to FY 2019
    FY 2050: 90% down compared to FY 2019

Value Creation Model

Value Creation Process of MIRAIT ONE

As addressing the sustainability of the global environment and human species has become a pressing social issue, customer needs are shifting to complex/comprehensive themes such as "urban and regional development" and "DX/GX." To respond to this trend, the MIRAIT ONE Group is expanding its unique "Full-Value Model," which simultaneously promotes "horizontal integration" that comprehensively combines various technical fields such as telecommunications, electricity, ICT, civil engineering, and architecture, and "vertical integration" that provides seamless services from planning and proposition to operation and maintenance. Through these efforts, we are capturing customer needs to the fullest extent and establishing a new growth driver.

In future, we will continue to expand the "MIRAI (future) domains" by leveraging the management resources we have cultivated since our establishment and will continue to strengthen based on our recognition of medium- and long-term opportunities and risks in recognition of materiality (→see pages 23-24). Our ultimate goal is to fulfill our mission to "contribute to a future of resilient and sustainable community and business," thereby fulfilling our purpose (meaning of existence) and enhancing sustainable growth in corporate value.

Major management capital

Human Capital
- Number of employees (consolidated): 17,115
- Japan: 15,492 Overseas: 1,623

Intellectual Capital
- Percentage of personnel with multiple qualifications (non-consolidated): 56.3%

Engineering Capital
- Business locations: Networks spanning 14 overseas countries/regions and throughout Japan
- Number of group companies: 62 in Japan* 21 outside Japan**

* Includes MIRAIT ONE Corporation
** Excludes one privately held subsidiary of Kokusai Kogyo Co., Ltd.

Social and Relationship Capital
- Member companies of MIRAIT ONE Partners organized for co-creation among partner companies: Approximately 550 companies

Financial Capital
- Gross assets: 537.7 billion yen
- Net assets: 269.9 billion yen
- Interest bearing debt: 127.5 billion yen

Natural Capital
- Energy usage in FY 2024: 287,527 MWh
- including renewable energy used: 22,557 MWh

* Figures are as of FY 2024 or March 31, 2025, unless otherwise noted.

The business model "Full-Value Model"

Vertical integration
From planning and proposal to operation and maintenance

Responding to more complex and comprehensive needs

Planning

Proposal

Design

Construction

Operation

Maintenance

Urban and regional development

DX/GX

Horizontal integration
Multi-engineering

Software | Camera/Sensor | Wi-Fi/IoT/5G | PBX server NW | Mobile/Access | Electricity/Electrical Installation | Lighting/Air conditioning | Solar renewable energy EMS | Civil engineering | Architecture

Nine materialities ➡p.23-24

Medium- and long-term opportunities and risks ➡p.23-24

Corporate Governance

Business Activities

Environmental and Social Innovation Business
- Renewable energy
- Planning/consulting
- Electricity/Air conditioning
- Social infrastructure
- Architecture/Renovation, etc.

ICT Solutions Business
- Construction of ICT infrastructure
- Software business
- Global businesses
- Sale of goods, etc.

NTT business
- Construction and maintenance of fixed and mobile telecommunications equipment for NTT Group, etc.

Multi Carrier Business
- Construction and maintenance of fixed and mobile telecommunications equipment for NCC/CATV construction/television reception measures, etc.

MIRAI (future) domains
- Urban and regional development / Corporate DX and GX
- Green energy business
- Software business
- Global businesses

Corporate Activities

Financial/Assets Strategy
- Initiatives to improve PBR
- Growth investments
- Shareholder returns

Impact on Environment and Society
(Positive aspects)
- Community contribution activities with biodiversity awareness
- Accidents resulting in serious facility damage: zero
- Diversity: Ratio of women in management positions: 4.4% (MIRAIT ONE Corporation only)

(Negative aspects)
- Accidents resulting in injury or death: 1 case
- GHG emissions*:
  Scope 1: 59,262(t-CO_2)
  Scope 2: 9,788(t-CO_2)
  Scope 3: 2,026,854(t-CO_2e)

*MIRAIT ONE Group excluding Kokusai Kogyo Co., Ltd.

Continuous Improvement of Company Value

Purpose
Co-creating an exciting future through challenges and technology

Goal
Contributing to a resilient and sustainable future for the regions/companies

Actual consolidated net sales for FY 2024
578.6 billion yen
MIRAI (future) domains ratio
43%

Mid-term Management Plans and Long-term Vision

Evolution of Medium-term Management Plan and Long-term Vision

With "MIRAIT ONE Group Vision 2030," the MIRAIT ONE Group is focusing on five business reforms, 5 Changes, as the growth strategy for going "Beyond a Telecommunications Construction Company." The Group aims to grow over the next 10 years by expanding its full-value business model through further enhancement of the comprehensive engineering and servicing capabilities cultivated under the 4th Medium-term Management Plan ending in FY 2021.

Important societal issues to be addressed (Materiality)

4th Medium-term Management Plan (2019-2021)

Basic approach

- Maximize the management resources that have expanded by the business merger in a business environment undergoing major changes, such as the transformation of the business model of telecommunications carriers that are our customers, the anticipation of new services to be provided based on 5G, the growing demand for new solutions for the coming era of full-fledged IoT, and the acceleration of the reconstruction of social infrastructure toward 2020.
- Aim for further growth by accelerating the transformation of business structure centered on "comprehensive engineering and servicing" and by maximizing the synergy of business mergers.

Target

■Net sales: **450** billion yen ■Operating income: **27** billion yen ■Operating income margin: **6.0** % ■ROE: **8.0** % or more

Key initiatives

■Generation of new business opportunities
- Develop solution business by leveraging the expanded regional coverage achieved through management integration
- Challenge to capture new business opportunities beyond the framework of conventional business areas and technologies

■Acceleration of transformation of business structure
- Accelerate the transition from carrier business to solution business
- Promote qualitative transition in the solution business (emphasis on profit)

■Enhancement of productivity and reduction of costs through efficient operations
- Ensure smooth construction operation through closer cooperation with partner companies
- Pursue system sharing and consolidation of shared operations

■Strengthening of the basis of human resources
- Improve productivity and secure talent through work style reforms
- Strengthen and revitalize human resources to support expansion into new business domains and operational innovation

■Promotion of ESG-oriented management and safety/quality
- Identify business risks and opportunities from an ESG perspective and take appropriate action
- Establish the MIRAIT Group brand to meet customers' needs for peace of mind and reliability with "safety and quality improvement"

■Capital policy
- Maintain a sound financial structure
- Execute management with an awareness of the cost of capital
- Acquire own shares in order to achieve an ROE of 8.0% or higher

Performance

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

*The amounts shown have been rounded down.

MIRAIT ONE Group Vision 2030

Basic approach

Based on the redefined Purpose (meaning of existence)/Mission (public mission), the Group aims to evolve into a company group that will continue to contribute to solving social problems in a broader area of social infrastructure. In order to continue to be a trusted company group that "builds and maintains" future social infrastructure, the Group is now operating under the "MIRAIT ONE Group Vision 2030" as the vision for 2030 and the "5th Medium-term Management Plan," which is the five-year plan ending in FY 2026.

New Growth Strategy: "Five Changes"

Change 1: People-centric management
- Strategic learning and re-skilling at the Mirai College (Driving force behind business reform that provides "learning" and "connection")
- "Health and productivity management" that creates a friendly working environment and protects the physical and mental health of employees
- Employee-oriented "work style reform"

Change 2: Acceleration of business growth
- Clearly redefine growth areas as the MIRAI (future) domains and inject resources (promote business structure reform for a Full-Value Model)
  - Promote urban and regional development business (regional revitalization business), Corporate DX, and green operations
  - Strengthen green energy business that contributes to decarbonization
  - Strengthen software business that contributes to customers' DX
  - Strengthen global businesses that promote overseas data center- related and infrastructure sharing business
- Strengthen the customer base of existing business (response to the expansion and growth of customers)

Change 3: Top-class profitability
- Strengthen the management foundation through concentration and efficiency improvement achieved by the integration of three companies
- Improve efficiency through the fundamental revision of operations and utilization of data insights
- Review existing operations and costs by promoting group coordination

Change 4: Management based on data insights
- Establish knowledge-based data environment and optimize sales approach (aggressive DX)
- Execute value chain reform and smart construction, and utilize BPO/RPA/generative AI/robotics (defensive DX)
- Develop experts and core human resources and improve companywide literacy (development of talent for DX)

Change 5: Strong foundation for ESG management
- Initiatives aimed at the achievement of greenhouse gas reduction targets (science-based targets)
- Co-creation of social value through the MIRAIT ONE Partner Association
- Strengthen the audit function by enhancing the audit system and the three-lines of defense
- Strengthen corporate governance through a new Group management system

5th Medium-term Management Plan (2022-2026)

Financial Targets

	FY 2022 results	FY 2023 results	FY 2024 results	Management targets of FY 2026
Net sales	484 billion yen	518.4 billion yen	578.6 billion yen	720 billion yen or more
MIRAI (future) domains ratio*	29%	35%	43%	45% or more
Operating income (margin)	21.8 billion yen (4.5%)	17.8 billion yen (3.4%)	28 billion yen (4.8%)	Operating income margin 6.5% or more
EBITDA (margin)	31.2 billion yen (6.4%)	28 billion yen (5.4%)	41.7 billion yen (7.2%)	EBITDA margin 8.5% or more
ROE	6.0%	5.0%	6.7%	10% or more
EPS	151.20 yen	133.34 yen	189.40 yen	Annual growth rate of 10% or more

* Ratio of MIRAI (future) domain in net sales

■Further strengthening of shareholder returns
- Target range of 50% to 70% total return ratio
  - Stable dividend growth and flexible share buyback
- Actively retiring treasury stock that has no intended use

■Enhance investment for growth
- Free cash flow after shareholder returns is allocated with a priority to growth investments
- Utilizing liabilities based on the assumption that the external credit rating of [A] will be maintained

Non-financial Targets

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

■Environment
- Established and published the "MIRAIT ONE Group Biodiversity and Natural Capital Action Guidelines" (March 2025)
- Expressed support for the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations (October 2024)
- Achieved a CDP "Climate Change" B rating

■Social
- Issued MIRAIT ONE Group Basic Procurement Policy, Supply Chain Sustainability Promotion Guidelines (November 2024), and Multi-Stakeholder Policy (March 2025)
- Recognized as One of the "Outstanding Organizations of KENKO Investment for Health 2025"
- Awarded 3 stars in the 8th Nikkei "Smart Work Management Survey" and 3.5 stars in the "6th Nikkei SDGs Management Survey"

Close Interlocking of Materiality and Growth Strategies

To realize sustainable enhancement of corporate value, we are seizing abundant business opportunities such as the global move toward a decarbonized society, while formulating materiality with an eye to various risks related to human capital, intellectual capital, and climate changes. Under this materiality, we are clarifying social issues, and in order to advance contributions to the SDGs and ESG management, we signed the "United Nations Global Compact*1" and joined the "Global Compact Network Japan" in May 2025.

WE SUPPORT
UN GLOBAL COMPACT

In April 2025, I was appointed ESG Executive Advisor at MIRAIT ONE Corporation. Over 12 years as Chairman of Kokusai Kogyo Co., Ltd.—which became a MIRAIT ONE Group company in 2024—I took part in activities such as the World Economic Forum (Davos), UN Office for Disaster Risk Reduction, and the UN Global Compact, constantly seeking to understand global trends and key issues and quickly incorporate them into corporate management.

The MIRAIT ONE Group operates businesses with strong social relevance. Our aim is to integrate sustainability into the mainstream of management, making the planet and society more sustainable by running the company and conducting core business, and achieving both social and economic value as a company. By advancing materiality initiatives such as those listed below, we hope to embed sustainability management even more concretely into our business activities, encouraging each employee to identify with these efforts and take action together.

Special Advisor,
ESG Executive Advisor
Sandra Wu, Wen-Hsiu

Materiality Identification Process

Extraction and categorization of social issues

Extract issues based on the GRI Standards, ISO 26000, and other major international guidelines on the social responsibility of organizations, as well as the SDGs and evaluation items of ESG evaluation organizations.

Prioritization

Evaluate and prioritize the extracted issues from the perspective of stakeholders' expectations and the MIRAIT ONE Group's contribution to society.

Validation and identification

Confirm the appropriateness of the material issues in terms of their alignment with the MIRAIT ONE Group's management issues, discuss business risks and opportunities for future value creation at the Committee, and identify the material issues through deliberations at meetings of the Board of Directors, etc.

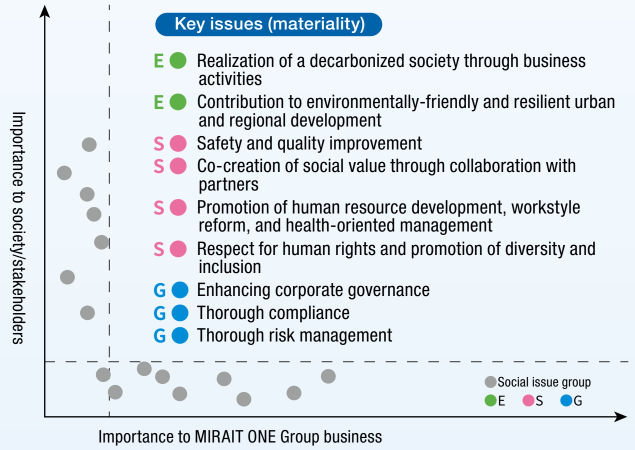
Review

Perform activity evaluation and disclose the results in the Integrated Report, etc., review them based on external experts, international goals and guidelines, evaluations by evaluation organizations, etc., and use the results to revise materiality items and goals and improve the content of disclosure as well as incorporate them into business operations.

Continuous Improvement of Company Value

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

Drive materiality initiatives as the non-financial targets and as key initiatives of the 5th Medium-term Management Plan (2022-2026)



Materiality			Medium- and long-term opportunities and risks ■ Opportunities ○ Risks	Non-financial targets being promoted in the Medium-Term Management Plan	Results of FY 2024	Initiatives/Targets for FY 2025	Covered SDGs
Building and Maintaining an Environmentally-Friendly Society	Environment	Realization of a decarbonized society through business activities	■ Expansion of various business opportunities associated with decarbonization ○ Intensification of natural disasters, etc. (transition risk/physical risk)	■ Reduction of greenhouse gas emissions by FY 2030 42% reduction from the FY 2020 level (scope 1+2) 25% reduction from the FY 2020 level (scope 3) ■ Promotion of green products procurement ■ Reduction of industrial waste final disposal ratio: 1.5% or below by FY 2030	■ Achieved a CDP "Climate Change" B rating ■ Transition to renewable energy for power used in company-owned buildings: 82% completed*2 ■ Percentage of EV/HV for general-purpose vehicles: 33% replaced ■ Industrial waste disposal ratio: 1.71% ■ Expressed support for the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations ■ Completed introduction of electronic manifests	■ Transition to renewable energy for power used in company-owned buildings: over 100%*2 completed ■ Percentage of EV/HV for general-purpose vehicles: over 40% replaced ■ Improving usage rate of electronic manifests	7, 11, 12, 13, 15
		Contribution to environmentally-friendly and resilient urban and regional development	■ Growing needs for regional revitalization/smart city ○ Delay in "horizontal integration" and "vertical integration" of the Full-Value Model				
Building and Maintaining a Safe, Secure, and Prosperous Society	Society	Safety and quality improvement	■ Securing human resources through the pursuit of safety-first quality and enhancing brand power ○ Loss of confidence and business opportunities due to accidents	■ Elimination of accidents resulting in injury or death/serious facility accidents: Aiming for zero	■ Number of serious facility accidents: 0 ■ Number of accidents resulting in injury or death: 1 ■ Expanded monitoring operations and introduced excellent measures like driving simulators	■ Further strengthened efforts to achieve the medium-term goal of "zero serious accidents (at all times)"	3, 8, 9, 17
		Co-creation of social value through collaboration with partners	■ Establishing and expanding the ecosystem by increasing the number of co-creation partners ○ Reduced capacity to respond to change resulting from long-term fixation of partnership				
Building and Maintaining a Culture Where People Respect the Diversity of Human Resources and Learn from Each Other		Promotion of human resource development, work style reform, and health and productivity management	■ Resolving social problems with People-centric management ○ Decrease in growth potential due to deterioration of or damage to human capital	■ Creating human resources for growth areas: Over 1,000 people ■ Improvement in engagement survey ratings (Score: 52 or higher) ■ Number of MIRAI College courses: Aiming for 500 or more courses	■ Created human resources for growth areas: Over 700 people*3 ■ Engagement survey rating: B (Score : 50.4, up 1.4 points from previous fiscal year)*3 ■ Percentage of personnel with multiple qualifications: 56.4%*3 ■ Number of Mirai College courses: 432 ■ Expanded certification as an Outstanding Organizations of KENKO Investment for Health (deviation score 59.2, up 4.3 points from previous fiscal year) ■ Initiated human rights due diligence	■ Increasing MIRAI College courses (Plan: 450 courses) ■ Implementation of the "Human Resources Version: MIRAIT ONE's Value Creation Model" (see p.39)	3, 4, 5, 8, 10, 16
		Respect for human rights and promotion of diversity and inclusion	■ Increase in value creation potential with diversification of ideas and concepts ○ Malfunctioning of the value chain due to the emergence of human rights risks				
Building and Maintaining a Fair and Transparent Corporate Group	Governance	Enhancing Corporate Governance	■ Increase in business opportunities and corporate value by enhancing the soundness and transparency of management ○ Governance failure and loss of confidence due to a decline in checking functions	■ Strengthening corporate governance through the System of Company with Audit and Supervisory Committee ■ Serious legal violations: Aiming for zero	■ Business Risk Management Office and related initiatives established in FY 2024 to prevent recurrence of large unprofitable projects, resulting in a 4.0 points increase in gross profit margin for non-carrier businesses ■ Serious legal violations: 0	■ Maintaining and further strengthening the corporate governance system ■ Thorough implementation of the Charter on Safety and Compliance ■ Compliance with the Supply Chain Sustainability Promotion Guidelines ■ Monitoring by the Business Risk Management Office and Compliance, Risk Management, and Human Rights Committee	9, 12, 16
		Thorough Compliance	■ Strengthened business processes through strict legal compliance initiatives ○ Decrease in confidence and business opportunities due to compliance violations				
		Thorough Risk Management	■ Reducing capital costs and increasing corporate value by decreasing factors that inhibit medium-and long-term growth ○ Manifestation of risks, resulting in deteriorating business performance and decline in corporate value				

*1 The world's largest sustainability initiative where the United Nations and the private sector (companies and organizations) join hands to build a healthy global society.

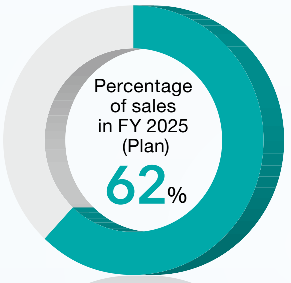
*2 As of May 13, 2025, excluding three buildings owned by MIRAIT ONE Corporation subsidiaries located in areas where renewable energy procurement is not possible. *3 Non-consolidated MIRAIT ONE Corporation only

Business Strategies

Business Strategies

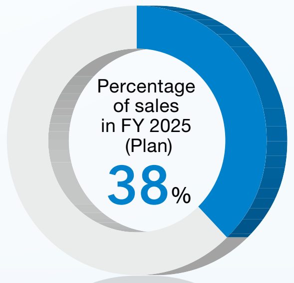
To achieve the desired business portfolio and ensure sustainable business growth, the MIRAIT ONE Group will seek to expand the customer base and the number of customers in the B2B and B2G (local governments, etc.) markets in the "Corporate/Environmental and Social Infrastructure domain," which merges environmental and social innovation business with the ICT Solutions Business. In the "Telecommunications infrastructure domain," which combines the NTT business and the Multi Carrier Business, the Group will respond to the growth and evolving needs of telecommunications carriers, its primary main customers.

Corporate/Environmental and Social Infrastructure domain



In FY 2025, the fourth year of our 5th Medium-Term Management Plan, in addition to expanding the data center business, we will focus on expanding the "MIRAI (future) domains" by leveraging the "Tripartite Approach" of our company, SEIBU CONSTRUCTION CO., LTD., and Kokusai Kogyo Co., Ltd. as a trigger, particularly by expanding synergies in Zero Carbon City projects and Public Infrastructure Management projects.

Telecommunications infrastructure domain



Environmental and Social Innovation Business | Corporate/Environmental and Social Infrastructure domain

Basic Policy

The Group builds, maintains, and operates solar power generation systems, EV chargers, and secondary cell systems, as well as conducts hydrogen business demonstrations, supporting the spread of new energy infrastructures that contribute to society's decarbonization. Additionally, we are building environmental and social infrastructure through projects such as electrical and air conditioning work, including utility pole removal and LED installation, water and sewage work, road infrastructure work, such as bridge construction, and civil engineering, architecture, and renovation works by SEIBU CONSTRUCTION CO., LTD., as well as planning and consulting services by Kokusai Kogyo Co., Ltd.

Performance Overview

In FY 2024, we achieved a revenue increase of 60 billion yen compared to the previous fiscal year, driven by strong performance in MIRAIT ONE Corporation's renewable energy, air-conditioning, electricity, civil engineering, and waterworks businesses and SEIBU CONSTRUCTION CO., LTD.'s architecture and renovation projects, as well as full-year contributions from Kokusai Kogyo Co., Ltd.'s planning and consulting services. In FY 2025, we plan to continue increasing revenue, driven by growth in renewable energy and civil engineering businesses.

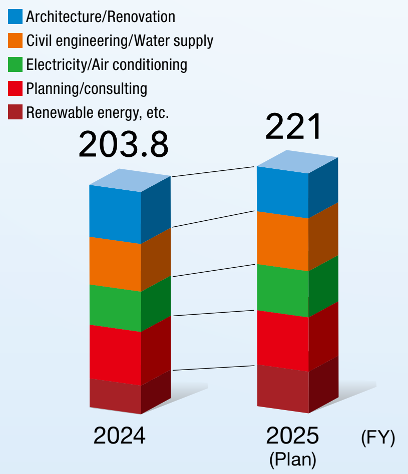
Market Growth Prospect/Strategy, etc.

Taking advantage of the continued upward trend in the renewable energy market supported by global decarbonization efforts, we aim to grow our green energy business, where we have accumulated significant experience, knowledge, and expertise, and seek to expand our industrial power storage plant and interconnection business by leveraging our expertise in telecommunications construction. We will also focus on our Full-Value Model to further evolve these businesses into higher value-added, more profitable business models.

Advantages

- MIRAIT ONE's implementation and operational capabilities
- SEIBU CONSTRUCTION CO., LTD.'s comprehensive strength and construction capabilities
- Kokusai Kogyo Co., Ltd.'s planning and consulting capabilities

Net sales
(Unit: billion yen)



NTT business | Telecommunications infrastructure domain

Basic Policy

The Group will conduct the construction, maintenance, and operation of the NTT Group's fixed and mobile telecommunications equipment, and support the dissemination of optical fiber networks and mobile networks. In the event of a disaster, the Group will assume the role of guardian of telecommunications networks by conducting emergency recovery and reconstruction. Although the domestic telecommunications construction market is slightly declining, we will continue to enhance the management resources and strengths that we have cultivated by operating in this market as our core business since the early years of the Group history, in order to contribute to the Group's continuous growth.

Performance Overview

In FY 2024, the business environment saw slight changes, leading to a significant increase in quality-improvement investments for both fixed-line and mobile-related construction projects. As a result, revenue increased by 8.7 billion yen compared to the previous fiscal year. In FY 2025, we expect this trend to continue to a reasonable extent and are forecasting an increase in revenue.

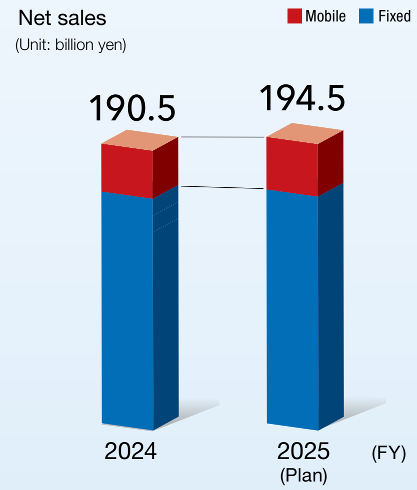
Market Growth Prospect/Strategy, etc.

While NTT Group's investment in telecommunications construction is declining, we will leverage our "field capabilities" and "carrier-grade technical expertise" cultivated in this sector to tap growth areas. In addition, we will expand our carrier business domain, particularly in the areas of local 5G, infrastructure sharing, virtualization, cloud services, and other related fields.

Advantages

- Field capabilities cultivated over nearly 80 years since our founding
- Long-standing trust relationship with NTT group

Net sales
(Unit: billion yen)



ICT Solutions Business | Corporate/Environmental and Social Infrastructure domain

Basic Policy

With our ICT technology, we provide high-quality solutions that respond to a wide range of social and business issues, including introducing LAN/PBX and Wi-Fi, ensuring security, building management advancement, and improving operational efficiency. Also, we are strategically strengthening global businesses, which include the use of drones, the construction and operation of data centers where demand is significantly expanding due to the proliferation of generative AI, and the promotion of overseas data centers and infrastructure sharing abroad.

Performance Overview

In FY 2024, despite a setback from the large-scale LAN projects recorded in the previous fiscal year, the data center, cloud, and global businesses grew significantly, and the software business also remained steady, resulting in a year-on-year increase of 200 million yen, essentially flat compared to the prior fiscal year. For FY 2025, we plan for higher revenue, assuming growth in the data center business, LAN, and other areas.

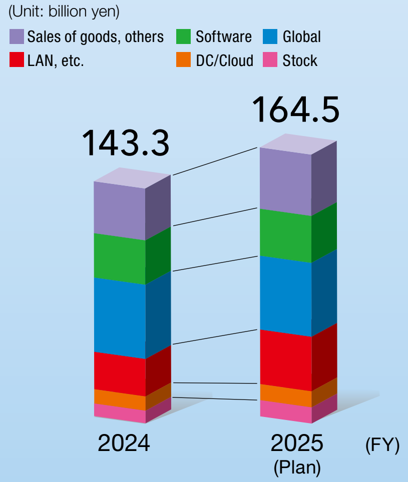
Market Growth Prospect/Strategy, etc.

With the continued expansion of business opportunities, particularly in data center-related areas, driven by growing demand for generative AI and DX, we will continue to work on expanding our business scale and strengthening recruitment and development of human resources, including through collaboration within the Group.

Advantages

- Advanced ICT technologies cultivated in our pursuit of becoming a "comprehensive engineering and servicing company"

Net sales
(Unit: billion yen)



Multi Carrier Business | Telecommunications infrastructure domain

Basic Policy

This business conducts construction, maintenance, and operation focusing on mobile communications facilities of non-NTT mobile networks to support the increasing speed and capacity. Currently, as the construction for expanding the 5G service area has almost completed, we will aim to expand our carrier business into new areas, similar to the NTT business.

Performance Overview

In FY 2024, although the situation somewhat varied among different telecommunications carriers, mobile 5G-related and CATV-related projects both decreased due to the continued decline in orders that began in FY 2022, resulting in a revenue decrease of 8.6 billion yen compared to the previous fiscal year. In FY 2025, we anticipate another decrease in revenue due to a decline in mobile-related business.

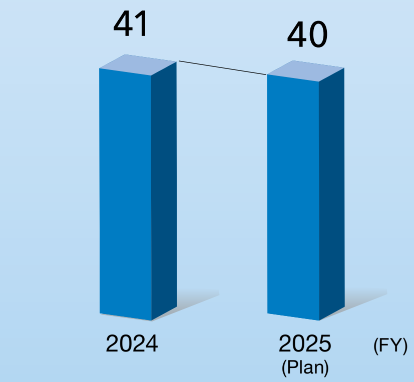
Market Growth Prospect/Strategy, etc.

Capital investments in the mobile business of NCC carriers, which have continued to grow for several years, are expected to show a declining trend. We are also witnessing a shift in customers' network investments to the virtualization/software domain. In light of these developments, we will prioritize the expansion of our carrier business in areas such as infrastructure sharing, virtualization, and cloud services, in line with the NTT business.

Advantages

- Field capabilities cultivated over nearly 80 years since our founding
- Trusted relationships cultivated with carriers

Net sales
(Unit: billion yen)



Digital Strategies

Focusing on the Evolution of Management Based on Data Insights and New Business Development Through DX

Implementing digital strategies to enhance corporate value

Change 4 "Management Based on Data Insights" - Achievements and Challenges in FY 2024 / Key Initiatives for FY 2025 and Beyond

As one of the 5 Changes under the "MIRAIT ONE Group Vision 2030" and the 5th Medium-Term Management Plan, the Group emphasizes Change 4 "Management based on data insights." Specifically, to support the other four "Changes (growth strategies)," we are undertaking Group-wide efforts in "offensive DX" (development of a knowledge-based data environment and optimization of sales approaches), "defensive DX" (value chain reform, smart construction, and utilization of BPO/RPA/generative AI/robotics), and "DX human resources development" (development of experts and core human resources and improvement of company-wide literacy). Through these initiatives, we visualize all of our Group's value creation in both quantitative and qualitative terms, and drive business transformation through effective data utilization.

In FY 2024, the third year of the Medium-Term Management Plan, we continued to emphasize DX human resource development and generative AI adoption. The nurturing of "DX core talent," who plan and promote DX for each organization, made significant progress, reaching approximately 2,500 people thanks in part to the consolidation of Kokusai Kogyo Co., Ltd., allowing the Medium-Term Management Plan target to be achieved two years ahead of schedule. Meanwhile, although the number of DX expert personnel reached about 50, further expansion is needed. Therefore, FY 2025 aims to develop around 140 DX experts to build momentum toward achieving the FY 2026 goal of roughly 250 experts.

As for generative AI utilization, 41 Group companies have introduced generative AI, and the number of monthly users of the generative AI platform reached 8,323. Additionally, the Group has developed 25 proprietary AI applications, which were used approximately 7,700 times per month (as of July 2025). Examples of AI use include a project risk management app based on RAG technology and construction photo AI inspection using image-analysis AI.

Goals of the 5th Medium-Term Management Plan

DX core human resource development (By FY 2026): Development of approximately **2,000** core human resources

Achieved **two years ahead** of schedule

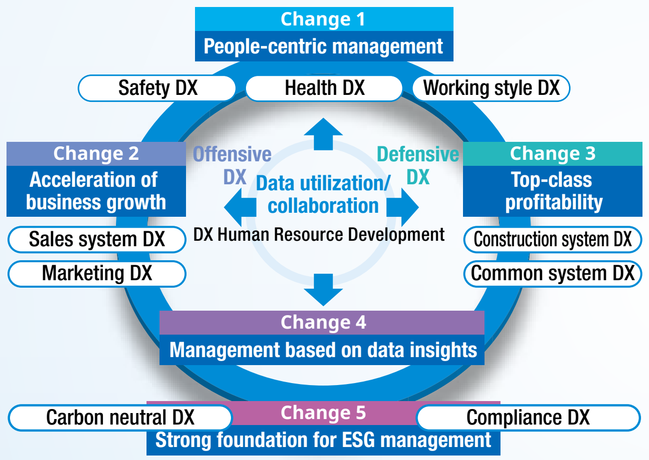
Revamping Core Systems

In FY 2024, in addition to revamping the core systems of five major Group companies, we organized a task force to promote management based on data insights. We also worked on deploying tools and solutions for construction completion forecasting across the Group, improving their accuracy, and visualizing completion forecasts for both within the fiscal year and three years ahead. In FY 2025, while making full use of the new core systems to further advance data utilization, we will continue to focus on improving and streamlining operational quality through document data insights.

Goals of the 5th Medium-Term Management Plan

Improve profit margin of carrier business through DX reforms (By FY 2026)

3 points or more



Accelerating Efforts for 5 Changes Through Continued Top-Down Approach and Monitoring by the "DX Promotion Committee"

In order to comprehensively promote and accelerate the realization of the other four Changes through DX in Change 4 "Management based on data insights," including this series of initiatives, we are working on individual and specific DX promotions based on evaluation metrics set by the DX Promotion Committee, chaired by the CDO, for each DX area. Additionally, in FY 2025, we established the Data Insight Management Committee, chaired by the Representative Director and President , where the executive management team discusses and commits to data insight and DX strategies, further advancing DX.

DX Human Resource Development

In addressing the company-wide challenge of developing DX human resources, prior to nurturing the aforementioned "DX core human resources," "Mirai College" holds a "DX Basic Course" for all employees to acquire basic DX literacy and mindset. All employees of MIRAIT ONE Corporation completed the course by June 2023, and by the end of FY 2024 all employees of major Group companies, including Kokusai Kogyo Co., Ltd., which was consolidated in December 2023, also completed the course.

In addition, to develop expert human resources (data scientists), who are indispensable not only to improve operational efficiency through DX, but also to realize high value-added business operations, we will not only train internal human resources, but also strengthen mid-career hiring and collaboration with external human resources to enhance the ability to utilize data throughout the entire organization.

Starting in FY 2025, we have begun dispatching employees to a national university's data science department (master's program), with the aim of securing and developing talent to lead the data insight field over the medium term.

In order to raise the DX mindset and literacy of management, who are responsible for formulating a series of DX strategies and monitoring their progress, we are also promoting DX reform company-wide by offering DX courses for executives.

■Desired DX human resources profile and target numbers

Fostering a DX Promotion Mindset with "KAIZEN" as a Keyword

To foster a DX promotion mindset among all Group employees, which is the foundation for DX reform, we are holding the "DX & KAIZEN Award" from FY 2022. The event, which has added DX reform case studies to the existing KAIZEN convention theme, presents awards for best practices, and aims to accelerate DX reform throughout the Group by horizontally spreading successful examples to other business locations through the utilization of the Group's common platform (DX & KAIZEN and WLS Reform-Gallery). In FY 2025, the fourth event since the establishment of the MIRAIT ONE Group was held, with approximately 3,000 cumulative views during the three-week online event period. There were 40 entries for the main competition, of which 9 were related to AI. As well, to further invigorate smart work-lifestyle reform activities, we presented awards for initiatives that link the results of DX & KAIZEN to smart work-lifestyle reform.

We will continue to focus on DX to translate the ingenuity and business improvement mindset we have built up over many years of KAIZEN activities into fundamental business transformation.

External Evaluation in DX

In June 2021, our company obtained DX Certification from the Ministry of Economy, Trade and Industry (METI). This certification was awarded in recognition of our proactive promotion of DX, primarily in four growth areas: "IoT, 5G, and ICT," "Smart Civil Engineering," "Renewable Energy," and "Global Engineering," as well as our fundamental improvements in the efficiency of social infrastructure construction and operation.

In June 2025, the certification was renewed in recognition of the business model based on the MIRAIT ONE Group Vision 2030 and the direction, strategy, and tactical progress of Change 4 "Management based on data insights."

Furthermore, in June 2022, we were selected as one of the "DX Hot Companies 2022" by the METI, the Tokyo Stock Exchange (TSE), and the Information-technology Promotion Agency, Japan (IPA), in recognition of our environmental and social innovation business based on know-how cultivated in the telecommunications construction industry, promotion of ICT Solutions Business, entry into green power business, development of new businesses through promotion of various DX initiatives (such as store DX using electronic shelf labels, 3D point cloud, water pipe business, etc.), and efforts to shift business structure to a Full-Value Model, etc.

We have been steadily accumulating practical examples of DX implementation in business.

In FY 2024, for example, we developed a cloud-based system for remote monitoring of water smart meters to improve efficiency in the operation and maintenance of industrial water through DX. The system enables remote meter reading, which reduces human labor and time, and facilitates paperless flow management work. Additionally, by quickly identifying affected regions and grasping situations during emergencies, it speeds up trouble and disaster response. Furthermore, the system is vendor-free, capable of connecting with flow meters from various companies, which optimizes replacement costs.

In April 2025, our "Advanced Wireless System Verification for Improving Profitability of Offshore Aquaculture Business" was adopted for the Ministry of Internal Affairs and Communications' Regional Community DX Promotion Package Project. This system uses the cloud to centrally manage information on water temperature, dissolved oxygen, and salinity inside sea cages measured by "environmental sensors" and fish growth status captured by "AI cameras." It allows real-time monitoring via PC or smartphone and is scheduled to be implemented following network design and equipment installation.

Supporting Both “Offense” and “Defense” from a Financial Perspective to Maximize Corporate Value

Director and Managing Executive Officer CFO
MITSUYA Takaaki

5th Medium-term Management Plan—Achievements, Issues to Date, and Future Priority Measures

Towards Improving Capital Efficiency and Enhancing Corporate Value

As FY 2024 marked the midpoint of the five-year 5th Medium-Term Management Plan, we conducted an interim review of our financial capital strategy, adding KPIs and revising various target levels.

In terms of the external environment underlying these efforts, while there were notable trends such as restrained investment by telecommunications carriers and rising material and personnel costs, our targeted growth areas within the “MIRAI (future) domains”—including data centers, carbon neutrality, disaster-resilient urban development, and regional revitalization—expanded strongly, resulting in a steady increase in business opportunities for the entire Group.

Amid these circumstances, our Group has accelerated its shift toward the “MIRAI (future) domains” by significantly expanding M&A investments in non-telecommunications fields—acquiring SEIBU CONSTRUCTION CO., LTD. in 2022 and Kokusai Kogyo Co., Ltd. in 2023. Additionally, to improve business efficiency, we updated our core systems in 2024 and expanded DX investments, including accelerating the digitalization of construction manager operations.

As a result, although both order intake and net sales have steadily increased, non-cash expenses such as goodwill amortization from M&A and depreciation from DX investments have risen compared to the initial plan. For this reason, we added EBITDA margin as a target value to indicate our Group’s sustainable profitability growth.

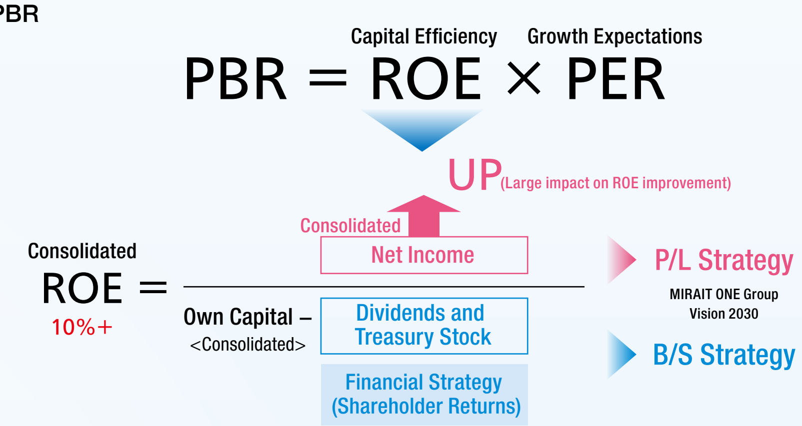
We also revised the targets for FY 2026, the final year of the Medium-Term Management Plan. While maintaining the sales target unchanged, we raised the target ratio of the “MIRAI (future) domains,” our growth areas, by 5 points, set an “EBITDA margin of 8.5% or higher” as an official target, and lowered the original operating income margin target by 1 point.

By pursuing this new series of targets, our Group is advancing toward realizing critical goals for capital efficiency and corporate value enhancement: “ROE of 10% or higher” and “annual EPS growth rate of 10% or higher.”

■Management Targets of the 5th Medium-Term Management Plan

	Initial Published Value	Current Forecast	Changes
Net sales	720 billion yen +	720 billion yen +	–
MIRAI (future) domains ratio	40%+	45%+	+5%
EBITDA margin	[8.5%+]	8.5%+	Initial assumption maintained (newly added to KPI)
Operating income margin	7.5%+	6.5%+	-1%
ROE (Return on Equity)	10%+	10%+	–
EPS (Earnings per Share)	Annual growth rate of 10%+	Annual growth rate of 10%+	–

■Toward Improving PBR



Growth Strategy from a Balance-Sheet Perspective—Progress to Date

In our “growth strategy from a balance-sheet perspective,” which focuses on improving capital efficiency, we are keeping in mind the newly added EBITDA margin target and continuing to strengthen our focus on “earning power.” Furthermore, while continuing to allocate funds to growth areas, we will manage the business with an awareness of capital costs, aiming to achieve our ROE and EPS targets, improve our PBR, and sustainably enhance corporate value.

As part of these efforts, sales of idle real estate and strategic shareholdings had reached just under 80% of the target by the end of FY 2024, while cash generated from business profits achieved about 40% of the target, indicating steady progress in the cash allocation plan.

Growth Strategy from a Balance-Sheet Perspective—Financial Leverage and Credit Rating

Our Group has consistently maintained a strong commitment to financial discipline, which will not change going forward. To improve ROE, we plan to maximize the use of debt within the limits that sustain the current credit rating. To this end, we issued our first-ever straight bonds in FY 2024 as part of diversifying our financing methods.

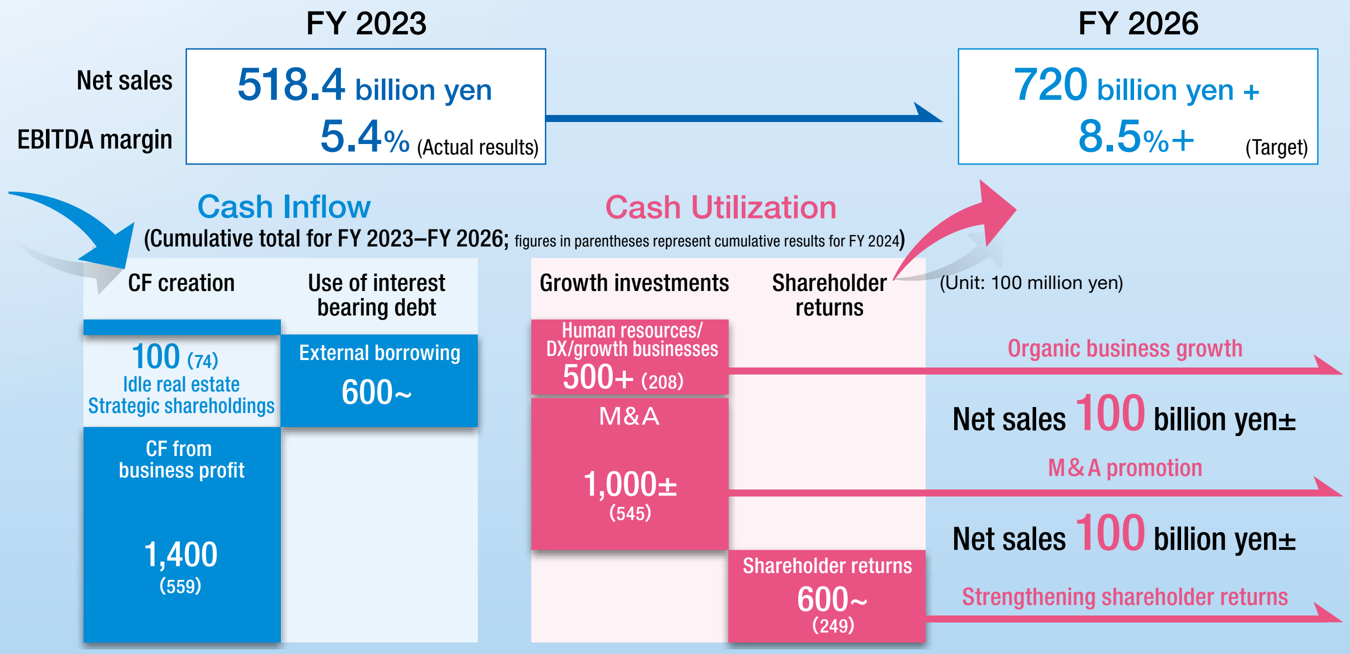
Regarding growth investments such as M&A indicated in the cash allocation plan, we expect to accumulate business profits going forward and believe that even full utilization of

External Rating (Credit Rating)*

Rating and Investment Information, Inc. (R&I)	A
Japan Credit Rating Agency, Ltd. (JCR)	A+

*As of July 12, 2025

■Cash Allocation Plan (2023–2026)



the remaining 45 billion yen would not jeopardize our current credit rating. Still, we will continue close and careful dialogue with rating agencies.

Strengthening Shareholder Returns

Regarding shareholder returns, we maintain our basic policy of "stable dividend growth" and "flexible shares repurchase." The target range for total return ratio is set at 50%–70%, clearly indicating our policy of proactively returning profits to shareholders unless there is a significant financial impact from major investments such as M&A.

In addition, we will actively retire treasury shares with no intended use. Most recently, 3 million shares (equivalent to 3.2% of total shares issued) were retired in February 2025. Since May 2025, we have been conducting shares repurchase with an upper limit of 3 billion yen. Going forward, further repurchase will be considered depending on business performance and investment trends. For dividends, we have decided on an annual increase of 10 yen per share for both FY 2024 and FY 2025.

Toward Further Growth in ROE and EPS

In pursuit of the FY 2026 targets—"ROE of 10% or higher" and "annual EPS growth rate of 10% or higher"—we recognize that EBITDA, which underpins these indicators, has been at record-high levels as shown in the chart below, and that the newly added EBITDA margin target for FY 2026 is within reach.

Operating income is also projected to reach a new record in FY 2025, with the operating income margin expected to increase by 0.7 points year-on-year to 5.5%.

Driven by these improvements in profitability, ROE for FY 2024 improved by 1.7 points year-on-year to 6.7%. For FY 2025, a target of 8% has been set, providing momentum toward achieving the FY 2026 goal of "10% or higher." EPS also rose by 42% compared to the previous fiscal year in FY 2024, and a further 25% increase is projected for FY 2025. We are aiming to maintain an "annual growth rate of 10% or higher" in the final year of the Medium-Term Management Plan, FY2026.

Strengthening Profitability in Growth Areas

Significant Reduction in Unprofitable Projects

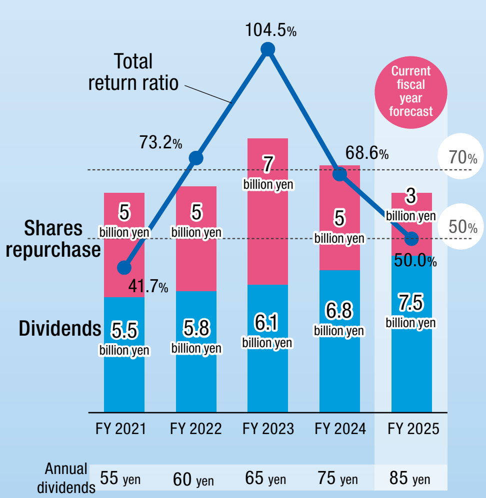
For improving profit margins and capital efficiency as described above, further strengthening profitability in our growth areas, the "MIRAI (future) domains," is key. The aforementioned increase in operating income margin in FY 2024 reflects not only the positive effect of increased revenue but also business risk management reinforced across the company, following the occurrence of large-scale unprofitable projects in growth areas in the previous fiscal year.

Specifically, on the business side, risk assessment and review before receiving large or challenging orders have been tightened; during execution, management and monitoring have been reinforced at each organizational level according to the risk and nature of each project. On the governance side, risk is prevented and monitored by oversight from the Board of Directors and the Group Executive Committee.

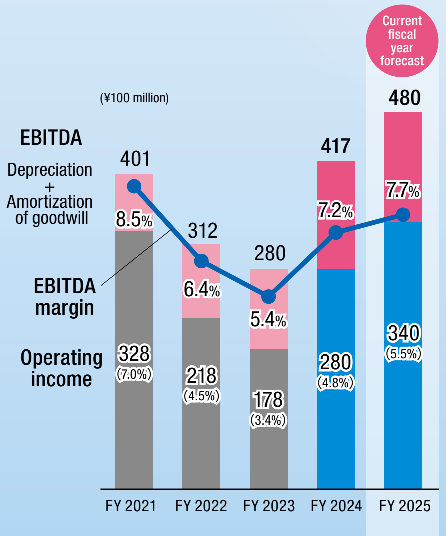
This series of initiatives has been supported by the Business Risk Management Office established in FY 2024, which assigns specialized advisors (experts) within the Group for each project, strengthening multi-faceted and detailed risk management to promote the Group's business expansion efforts.

Additionally, we have compiled the lessons learned from

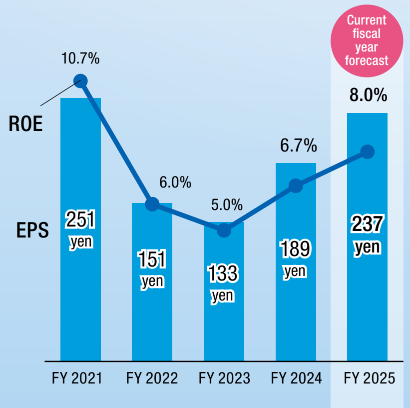
■Shareholder return trends



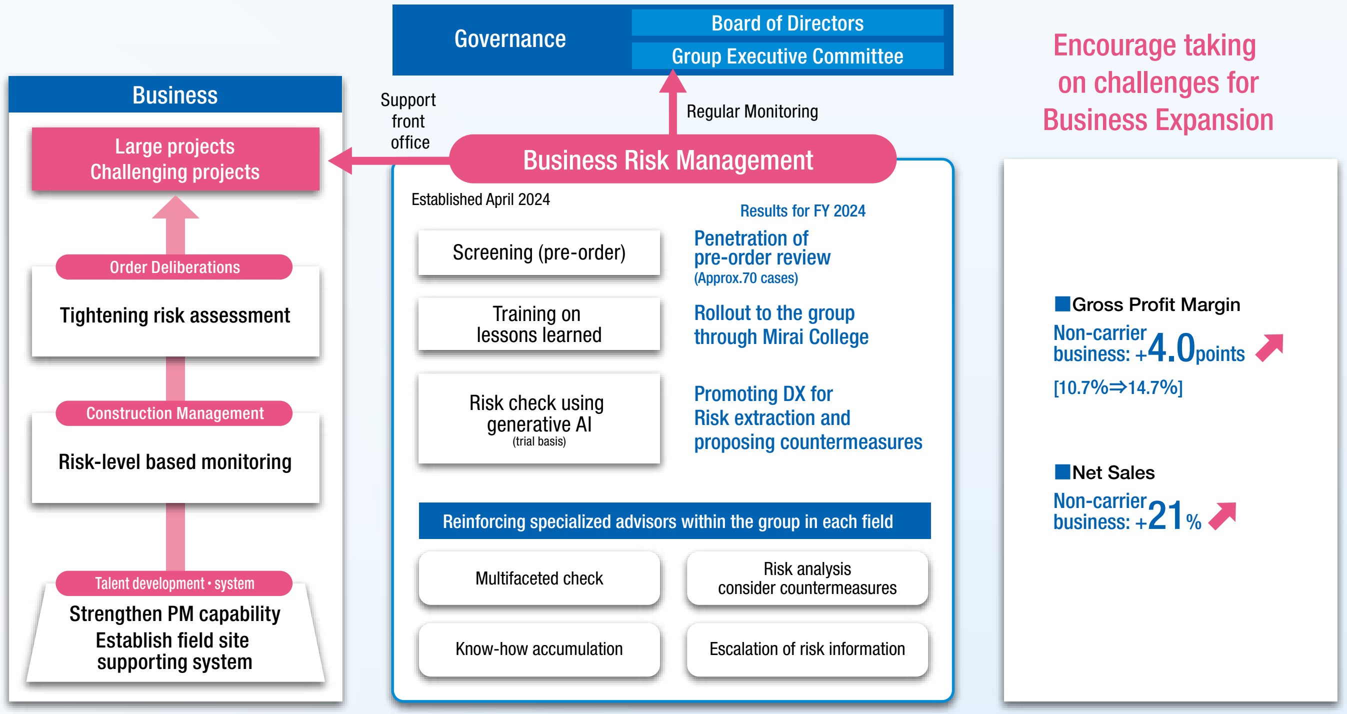
■EBITDA trends



■ROE and EPS trends



■Business Risk Management Operations



previous unprofitable projects and distributed them internally via Mirai College. We have also begun initiatives to streamline risk checks using generative AI.

This series of initiatives contributed to a solid 21% year-on-year increase in non-carrier business sales in FY 2024 while also improving its gross profit margin by 4 percentage points to 14.7%, thereby achieving both business expansion and profit margin improvement. By continuing to focus on business risk management, we aim to improve capital efficiency.

Focusing on Further Enhancing the Value of MIRAI (Future) Domains and Maximizing Group Synergies

Beyond the "defense" provided by such risk management, going forward, our Group will also focus on "offense," such as further enhancing the added value of MIRAI (future) domains and pursuing group synergies, aiming for the consistent achievement of a PBR exceeding 1.0. Accordingly, we will focus our financial capital strategy and cash allocation with this awareness.

Currently, as an example of measures to enhance the value of MIRAI (future) domains, the data center-related business has progressed, building achievements in data hall cabling in 12 Asian countries and regions overseas, and securing large contracts domestically in Japan through information sharing and sales collaboration. In addition, by expanding our capabilities to adjacent areas such as electrical equipment, air conditioning, and container-type data centers, the order volume in this business for FY 2024 exceeded the initial plan of 39 billion yen and reached 46 billion yen, and we aim for orders of 50 billion yen in FY 2025 and 65 billion yen in FY 2026.

In pursuing Group synergies, in FY 2024, we focused on expanding joint sales and mutual orders through a two-company synergy between our company and SEIBU CONSTRUCTION CO., LTD. With the addition of Kokusai Kogyo Co., Ltd. (three-company synergy), we succeeded in securing orders for municipal ZEB renovation projects and comprehensive road management projects, generating more than 9 billion yen in synergy.

By further expanding these initiatives, we aim to create 20 billion yen in synergy in FY 2025 and 30 billion yen in FY 2026, leading to improvements in profitability for the MIRAI (future) domains and the Full-Value Model.

To achieve the 5th Medium-Term Management Plan, while accelerating this "offense," we will also firmly support "defense," including risk management and Group company restructuring, to maximize corporate value and meet the expectations of all stakeholders.

Feature Article: Our Growth Driver

— Growth Businesses Supported by MIRAIT ONE's People —

Case1 Green Energy Business

Our Group is accelerating growth in the "Green Energy Business," one of the key initiatives under Change 2 "Acceleration of business growth," our growth strategy toward 2030, through a "Full-Value Model" centered on solar power plant development and electricity sales businesses. Additionally, we are expanding into new initiatives such as industrial power storage plants and hydrogen-related demonstration projects. By promoting this series of Green Energy Business initiatives across the Group, we aim to achieve sales of over 30 billion yen in this business by FY 2026.

Launching Solar Power Generation Business While Taking on Challenges in New Fields

I joined Kinki Telecommunications Construction Corporation, one of our company's predecessors, in 1998. For a little over my first ten years, I was assigned to the sales department, mainly engaged in telecommunications construction projects as a member of project teams. During this time, I gained extensive experience in taking on challenges in "new fields" of each era, including collaborations with foreign telecommunications manufacturers that had just entered the Japanese market after telecommunications deregulation, and construction of base stations and telecommunication offices accompanying the spread of mobile phones and ADSL.

My first experience in the green energy business came with a solar power plant construction project launched by a major new common carrier (NCC) following the Great East Japan Earthquake in 2011, which triggered major changes in Japan's energy policy. Starting with that project, our company was among the first major telecommunications construction companies to start solar power-related business, and I drew on my spirit of challenging new fields and experiences I had accumulated to learn about the electrical field, which was virtually unknown to us, both by myself and by receiving guidance from customers. We captured new business opportunities by initially taking on only the work our company could handle and gradually expanding the scope. Since then, our Group's green energy business has expanded to encompass the development of solar and other renewable energy power plants, energy storage based on solar power plants and lithium-ion batteries, hydrogen power generation facilities, and EPC and O&M projects for EV charging equipment to accelerate electric vehicle adoption. This has become the foundation of our current business.

Social Issues We Are Helping to Resolve

Our Group recognizes two major reasons for engaging in the green energy business.

The first is, of course, our contribution to solving societal issues. In addition to the globally shared challenge of curbing greenhouse gas emissions and halting the acceleration of global warming caused by massive fossil fuel consumption since the Industrial Revolution, Japan faces its own challenges such as energy security concerns and low energy self-sufficiency due to limited natural resources like oil and natural gas. The green energy business has the power to contribute to resolving these societal challenges both domestically and internationally.

The second is the expansion of business opportunities. In today's society, the rapid growth in data center demand—driven by the accelerating adoption of DX and the spread of generative AI—along with construction booms, significantly contributes to economic development both domestically and internationally and represents a highly promising market for our Group. Meanwhile, because data centers consume large amounts of electricity, addressing Japan's energy security and low self-sufficiency issues is also necessary here. Consequently, the demand for green energy for data centers is beginning to expand substantially. By steadily capturing both of these needs, we intend to accelerate our growth.

"Full-Value Model": A Strong Alignment with Our Mission

In addition, we believe that developing this business further is highly aligned with one of our Group's Missions: "Constantly refining our technology and business model to add more value." This is because the roots of our green energy business lie in work we performed converting high-voltage electricity supplied by power companies to factories and buildings into low-voltage electricity used for telecommunications equipment. The present green energy business evolved by refining that technology and transforming the business model. This is precisely a practice of our Mission: "Constantly refining our technology and business model to add more value."

Furthermore, having long worked to expand the "Full-Value Model," in the telecommunications construction business, we undertook services such as locating optimal sites and negotiating with landowners for mobile phone base stations. In the green energy business, we have replaced the facilities handled under such contracted work with solar power plants and grid energy storage, evolving this into a "full-value" development business in which we undertake everything from land development through to the sale of completed renewable-energy facilities. In addition, new municipal projects in collaboration with Kokusai Kogyo Co., Ltd. are about to begin. The green energy business is thus a prime example of how providing "high added value" to customers is enabling the expansion of a more profitable business model.

Toward Further Improvement in Profitability

On the other hand, while our Group has achieved sustainable sales growth in recent years by increasing the ratio of non-telecommunications and MIRAI (future) domains, we recognize at the frontline that improving profit margins remains a challenge. As mentioned above, although the green energy business is moving toward realizing a high value-added model, there is still ample room and potential to further increase profit margins. Therefore, we will focus not only on expanding the scale of the business but also on further strengthening profitability.

Specifically, in the communications construction business, which has a long history, we have established a robust procurement capability (procurement network) by forming a nationwide network of over 550 partner companies, which has enabled stable, high profitability in that business. By focusing on similar initiatives in the green energy business, we aim to build a strong procurement capability (procurement network) there as well. In addition, since this initiative is also effective not only for the green energy business but also for ICT businesses such as data center-related projects, we are accelerating efforts to improve profitability by expanding collaborations with new partners in the electrical and power sectors in cooperation with those businesses.

Further Evolving a Positive Culture of Talent Development

As evidenced by placing "People-centric management" at the forefront of our growth strategies, we believe that the driving force behind the advancement of our Group is, after all, talent development. Personally, from my first year at the company, I learned autonomous action, teamwork, and interpersonal skills—including how to interact with customers—within our Group's homey culture, through 360-degree relationships with supervisors, colleagues, junior staff, and clients. I feel that this culture continues to be firmly upheld today. Additionally, in areas where internal expertise is limited—such as marketing—I have improved my skills by taking advantage of a generous environment that actively encourages employees to take external courses and covers the associated costs. Now, all these skill development options are widely available through Mirai College, which I actively use myself and encourage my subordinates to use as well. I am confident that evolving this positive culture through such new mechanisms will lead to sustainable growth.

Building on the above initiatives, my aim is to enhance our brand as a company that supports power self-sufficiency through the green energy business, and drives industrial competitiveness through the data center business. By developing, executing, and practicing a sustainable growth strategy based on people and technology, I intend to contribute to increasing the corporate value of our Group.

MIRAIT ONE Corporation, Solutions Business Company
Environmental and Social Infrastructure Business Division
Deputy Senior General Manager, Environmental and Social Infrastructure Sales Division

KITAGAWA Takaki

— Growth Businesses Supported by MIRAIT ONE's People —

Case2 Container-Type Data Center Business

In the ICT business—which is one of our growth areas, the "MIRAI (future) domains"—the data center business has experienced significant growth, with order volume for the data center business in FY 2024 rising 28% year-on-year to 46 billion yen. We aim to grow this order volume to 65 billion yen by FY 2026. Until now, our Group's data center business has mainly focused on cabling work for servers and racks, as well as electrical, air-conditioning, and UPS installation. However, what is currently seeing a rapid increase in demand and inquiries is the "container-type data center business" (hereafter, container-type DC).

Driven by Curiosity, Challenging Diverse Tasks

After studying communications technology at university and sensing great potential in mobile phones, then in their infancy, I joined Daimei Corporation—one of our company's predecessors—in 1996. Since then, I have consistently been involved in building core networks for major carriers. Having a strong curiosity by nature, I have proactively sought opportunities to work in diverse roles, gaining broad experience in tasks ranging from installation—including cabling and kitting—to site management in data centers, as well as upstream processes such as design and sales. I have also taken on the challenge of raising the standing of the entire telecommunications construction industry while collaborating with competitors. I believe the company's culture of allowing employees to gain diverse experience if they desire remains strong today, and in recent years, it has further evolved into an environment that fully respects the ambitions of younger employees.

Triggered by Utilization of Surplus Renewable Energy

Our Group currently operates a container-type DC business with Morgenrot Inc., in which we invested in 2020. The trigger for starting this business was responding to the societal challenge of how to utilize the surplus portion of renewable energy, alongside the growing demand for computing power.

In recent years, while there are a considerable number of renewable energy power producers (hereafter, renewable energy producers) who have excess electricity generated by their own facilities, the demand for computing power, such as GPUs, and electricity has rapidly increased with the spread of generative AI. On the other hand, building traditional hyperscale DCs requires significant time, cost, and large land areas, which has become a supply bottleneck. We considered that the container-type DC, which can be introduced at relatively low cost and short lead time, and is not limited by location, could mediate and resolve both these societal challenges and market needs. By providing container-type DCs to renewable energy producers with surplus electricity and undertaking the construction and operation alongside Morgenrot Inc., we are developing a win-win-win business model that satisfies the needs of both renewable energy producers and end-users.

Furthermore, looking ahead, the proliferation of IoT devices, autonomous driving, and remote medical services will further increase the need for ultra-low-latency, high-speed, high-capacity data transmission, which in turn is expected to drive demand for so-called edge computing. Accordingly, we expect demand for container-type DCs to grow, and our Group plans to accumulate related know-how from this stage onward as a foundation for establishing future competitive advantage.

Voluntary Learning and Linking with Internal Know-How

In my challenges entering new fields, I have proactively acquired basic knowledge through various literature and other sources. At the same time, as mentioned earlier, my long experience with data center operations and accumulating insights from the user side on-site has been extremely valuable now that I am on the service-provider side.

Moreover, building data centers requires not only network knowledge but also knowledge of foundational and electrical construction at installation sites. Through regular interaction and communication with internal departments responsible for base stations, tower construction, and electrical work, I have understood which departments hold which expertise and have constructed my own small-scale "Full-Value Model" where I can gain their cooperation when needed. This has significantly contributed to my work.

Constantly Aiming to Provide Cutting-Edge Value and Enhance Profitability

To further grow the container-type DC business, we are first working to accumulate expertise and know-how by building a solid track-record. We also aim to consistently deliver cutting-edge value, which differentiates us from many competitors. As part of this effort, we are focusing on researching water cooling (liquid cooling) technologies to address the increased heat emissions from servers, and developing air-conditioning systems to achieve a lower PUE. Leveraging our nationwide network of bases, we also provide maintenance and operation after container-type DC construction, enabling us to offer comprehensive services covering all processes from design to operation.

As evidenced by the fact that among the three major telecommunications construction companies, only our Group has entered the container-type DC business so far, we recognize that early entry into new fields and providing cutting-edge value to our customers is one of our Group's unique strengths. To further highlight this strength, we will fully utilize the internal network described above.

Meanwhile, to strengthen profitability in this business, we are working to improve efficiency by creating manuals that visualize the know-how we have accumulated so far, so that partner companies anywhere in Japan can perform installations with uniform quality and speed. Additionally, since all projects are currently custom-designed, we plan to categorize and package them based on types to improve production and cost efficiencies. We expect more players to enter this market in the future, leading to healthy, open competition that will lower social costs and accelerate further adoption and market expansion. Nonetheless, we aim to keep delivering leading-edge value—always staying a step, or at least half a step, ahead.

Toward Developing the Next Generation of Talent

As mentioned earlier, I have placed great importance on voluntary learning and utilizing internal resources to acquire new skills and knowledge. Regarding the development of the next generation of talent, which is indispensable for the sustainable growth of the business, I consider it my personal mission to continue working on-site and to pass on the knowledge and know-how I have accumulated to the next generation. As part of this effort, I will first promote participation in Mirai College courses, and where necessary, encourage taking external courses to build knowledge and project experience.

Involvement in All Missions

Through the work I have described so far, I recognize that I am strongly involved in all five Missions of our Group. As mentioned earlier, through container-type DCs, we "meet customer expectations" by "adding more value" such as short delivery times, low costs, and location flexibility, while also achieving energy conservation, thereby achieving "sustainability" as a "trusted company." Furthermore, in the future, we can expect these DCs to protect the "future social infrastructure" through disaster preparedness and BCP measures, and by fostering and elevating younger generations, we also hope to realize a "diverse and dynamic workforce."

Going forward, by continuously providing cutting-edge value to customers and society, we will contribute to increasing the corporate value of our Group.

MIRAIT ONE Corporation, Carrier Business East Company
Network Engineering Business Division
Engineering Department Manager, Network II

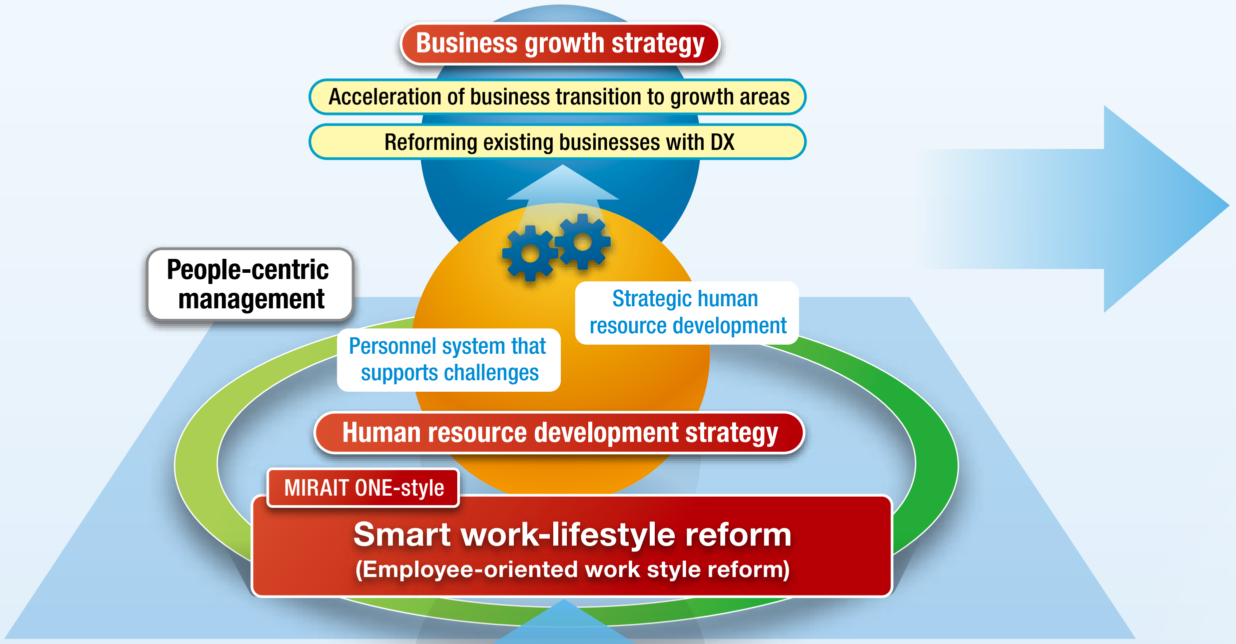
HIBINO Akira

Human Resource Strategies

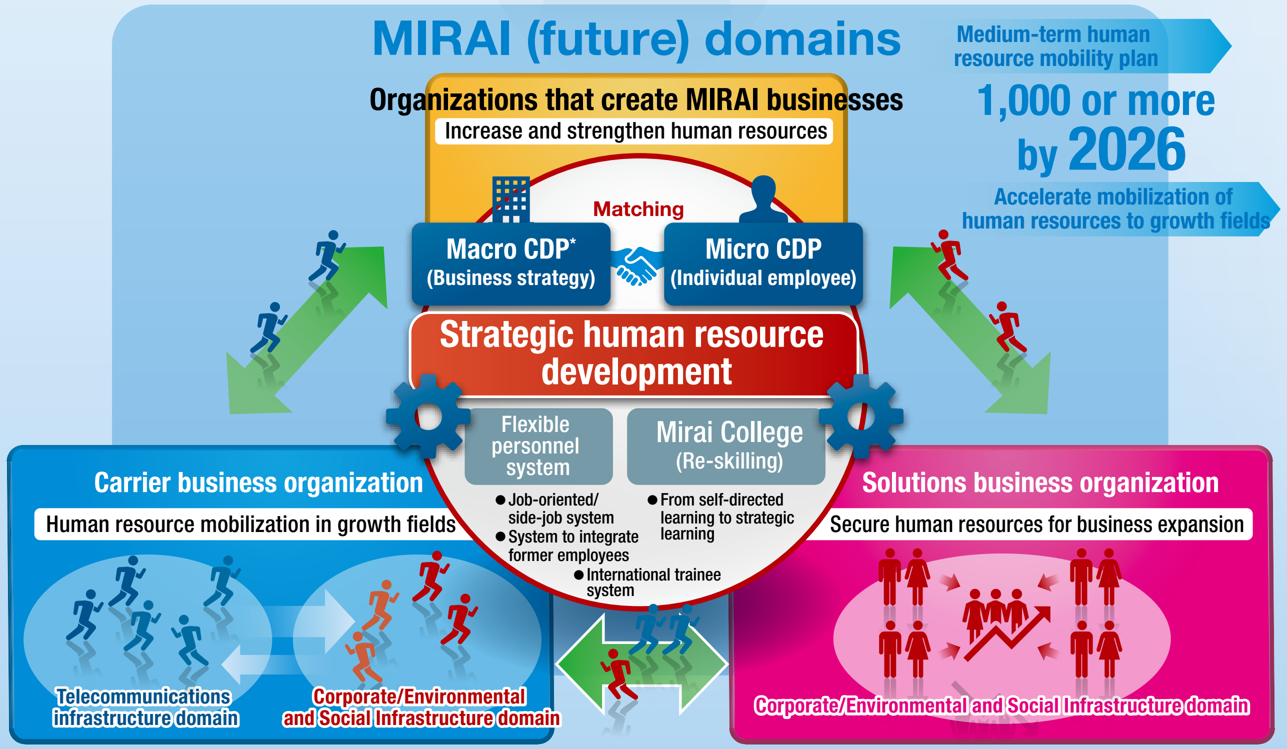
Focus on Business Growth and Transformation through Human Resource Development

To accelerate our business transformation towards going "Beyond a Telecommunications Construction Company," we have been intensifying the following human resource development strategy since FY 2023. From FY 2024, we have formulated the "Human Resources Version: MIRAIT ONE's Value Creation Model" as a value creation story that closely aligns this initiative with our Group-wide management strategy and directly links it to enhancing corporate value (→see p.39).

"Change" to business growth based on human resource development



"Start" human resource development strategies for business growth

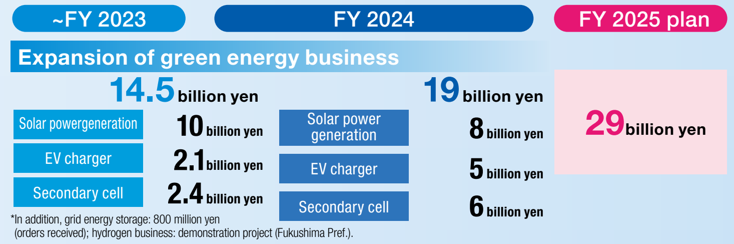


*Career Development Program

"Accelerate" business transition to growth areas

1 Expansion of green energy business

The Group aims to expand its business through a company-wide commitment to new areas such as industrial power storage plant, interconnection business, and hydrogen business in addition to the conventional initiatives that include voluntary solar power plant construction and electricity sales.



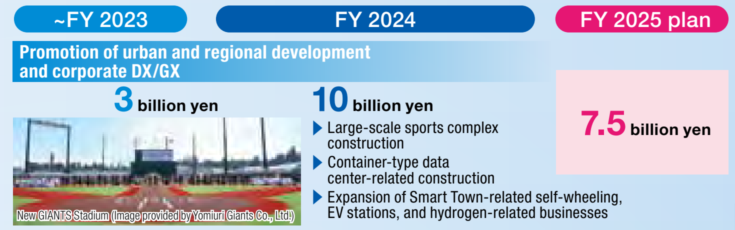
*In addition, grid energy storage: 800 million yen (orders received); hydrogen business: demonstration project (Fukushima Pref.).

Net sales target for FY 2026

30 billion yen

2 Acceleration of urban and regional development business

We will accelerate the expansion of this business by horizontally deploying successful cases of our "Full-Value Model" nationwide. Furthermore, we will continue to expand our "Tripartite Approach" with SEIBU CONSTRUCTION CO., LTD. and Kokusai Kogyo Co., Ltd. through the same model.

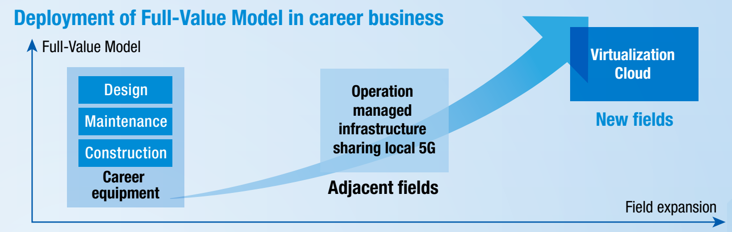


Net sales target for FY 2026

30 billion yen

3 Expansion of career business domains

The Group will seize the opportunities presented by the evolving business and investment landscape faced by our customer in the telecommunications construction business and leverage its expertise in ICT technology to expand it as a new business area.

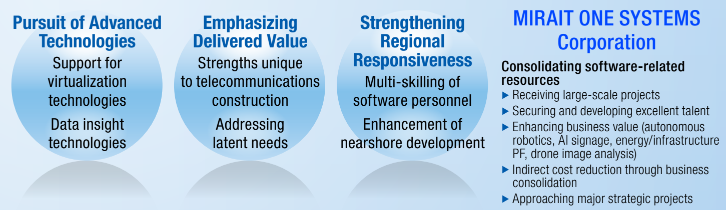


Net sales target for FY 2026

25 billion yen or more

4 Strengthening of software business

The Group aims to achieve rapid business expansion by mobilizing specialized human resources from within the Group. This strategic approach is in line with the growing significance of software business, driven by the development of corporate DX and infrastructure virtualization.

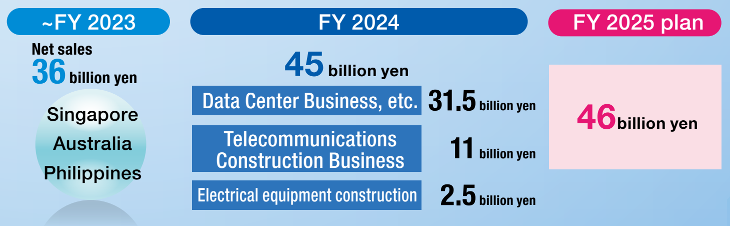


Net sales target for FY 2026

50 billion yen

5 Strengthening of global businesses

In global businesses, the focus will be on strengthening the business portfolio with an emphasis on data center-related business and telecommunication tower business, as well as expanding new areas such as green energy-related business.



Net sales target for FY 2026

50 billion yen

Human Resource Strategies

CHRO Message

Fostering Many “Self-Thinking, Self-Driven Professionals” Through People-Centric Management to Realize Corporate Value Enhancement

Director and Managing Executive Officer CHRO

WAKIMOTO Hiroshi

Human Resources Version: MIRAIT ONE’s Value Creation Model

Human Capital	INPUT: Major investment themes to enhance human capital	Business Activities: Key Initiatives	OUTPUT: KPI (initiative-related) performance (targets) — KPI Items	FY 2023 performance[*1]	FY 2024 performance (targets)[*1]	Major KPI Items	OUTCOME
Diverse specialized human resources to support technology (17,000 Group members)	(1) Creating human resources for growth areas	• Matching macro and micro · One-on-one interviews (Approx. 2,400 people)[*4] · Formulation of CDP	• Number of strategically seconded employees[*5]	30 people	Cumulative total: 47 people	Forming a group of human resources that will transform the future Creating human resources for growth areas: 700 people (By FY 2024) ↓ 1,000 personnel + (FY 2026 target)	Mission Sales target: 720 billion yen or more With MIRAI (future) domains ratio 45% or more
		• Utilization of Mirai College	• Number of participants in Mirai College growth area courses	Approx. 15,000 people[*2]	Approx.20,000 people[*2]		
		• Strategic strengthening of internal human resources	• Percentage of personnel with multiple qualifications[*6]	50.9%	56.4%		
	(2) Recruiting and developing competitive human resources	• Acquisition of external human resources · New graduate recruitment by course	• Number of mid-career hires	78 people	72 people		
			• Number of new graduate hires (joining the next fiscal year)	70 people	129 people (FY 2025: 100 new hires)		
		• Preventing turnover among young employees	• 3-year turnover rate	6.8%	10.4%		
		• Developing engineers to support the business	• Number of qualified personnel supporting the business (including Managing Engineers)	2,677 people	4,994 people[*2]		
		• Developing engineers to support new businesses · Acquisition of engineers through M&A	• Number of multi-skilled software professionals[*7]	261 people currently being developed	400 people currently being developed		
			• Number of highly specialized engineers (including professional engineers)[*8]	497 people[*3]	639 people[*2]		
		• Expansion/enhancement of Mirai College	• Number of courses offered in Mirai College	333 courses	432 courses (FY 2026: 500+ courses)		
			• Total number of Mirai College users	Approx. 19,000 people	Approx. 24,000 people (FY 2026: 23,000+ people)		
		• Developing human resources for management candidates through succession plans	• Total number of participants in Mirai Juku	36 people[*2]	51 people[*2]		
			• Number of executive and management seminars held	9 times/year	17 times/year		
	(3) Promoting diverse human resources and creating a diverse and flexible work environment	Expanding opportunities for women's advancement	• Ratio of women in managerial positions	4.1%	4.4% (FY 2030: 5%)	Smart work-lifestyle reform Improvement of engagement Engagement survey Rating: B → B Score: 49 (FY 2023 winter) → 50.4 (FY 2024 winter) → 52 or higher (FY 2026 target)	“Beyond a Telecommunications Construction Company” A future implementation company contributing to society with full value
		• Promotion of female managers and executive	• Ratio of female executives	15.8%	23.1%		
		• Support for the advancement of female engineers	• Ratio of engineers among female employees[*9]	38.4%	60.3% (FY 2030: 50%)		
		• Strengthening of recruitment of new female employees	• Ratio of women in new graduate hires (joining the next fiscal year)	27.1%	24.0% of new graduate hires in FY 2024 (FY 2025: 25%)		
		DX human resource development	• Number of DX core human resources	Approx. 1,500 people[*2]	Approx. 2,500 people (FY 2026: 2,000 people)[*2]		
		Development of global human resources	• Total number of international trainees	5 people	5 people		
		• Promotion of taking annual leave	• Rate of annual leave taken	73.5%	71.3% (FY 2025: 70%)		
			• Number of times recommended days for annual leave (bridge days) are set	17 times	18 times		
		• Encouragement for male employees to take parental leave	• Rate of parental leave taken by male employees	87.5%	95.1% (FY 2025: 100%)		
		• Promotion of flexible work styles	• Hybrid implementation rate in key meetings	100%	100%		
		• Expansion of flexible systems	• Number of internal side-job holders	70 people	94 people		
	(4) Promoting health-oriented management	• Support for improving awareness of physical and mental health	• Health check-up participation rate	100%	100%		
			• Comprehensive medical examination participation rate	78.3%	80.7% (FY 2025: 85%)		
		• Promotion of health initiatives	• Number of participants in walking events	869 people	776 people (FY 2025: 1,000 people)		
		• Establishment of an occupational health system	• Re-examination participation rate	45%	45% (FY 2025: 80%)		
		• Implementation of mental health measures	• Stress check participation rate	99.2%	99.2% (FY 2025: 100%)		
			• Percentage of highly stressed employees	11.3%	11.5% (FY 2025: 10%)		
		• Implementation of Wfun (a presenteeism measurement tool)	• Presenteeism	B rating	B rating		
		• Support for enhancing awareness of labor safety	• Number of work-related accidents <fatalities>(employees)	0 cases	0 cases (FY 2025: 0 cases)		

*1 Disclosure Scope: Unless marked *2, *3, *4, figures are for MIRAIT ONE Corporation (non-consolidated). Target-setting for KPIs without target figures in parentheses is under review for future disclosure. Management and target-setting of related KPIs for consolidated subsidiaries outside this disclosure scope are also under review for future disclosure; therefore, no consolidated-base KPIs are presented. *2 Disclosure Scope: MIRAIT ONE Group. Target-setting for KPIs without target figures in parentheses is under review for future disclosure. *3 Disclosure Scope: MIRAIT ONE Corporation (non-consolidated) & Kokusai Kogyo Co., Ltd. (non-consolidated). Target-setting for KPIs without target figures in parentheses is under review for future disclosure. Management and target-setting of related KPIs for consolidated subsidiaries outside this disclosure scope are also under review for future disclosure; therefore, no consolidated-base KPIs are presented. *4 KPI Overview: Number of employees who received development interviews for micro (employee) CDP. *5 KPI Overview: Number of employees who experienced/implemented growth areas externally under secondment or other contract types. *6 KPI Overview: Number of employees with qualifications spanning two or more fields. *7 KPI Overview: In FY 2024, of these, 253 employees completed both the basic course and the specialized (installation, field, performance) practical courses. *8 KPI Overview: Professional engineers, first-class architects, and first-class chief electrical engineers, etc. *9 KPI Overview: Percentage of engineers among all female employees.

Progress in the “Shift” and “Integration” of Personnel Toward Business Growth and Maximizing Synergies

Since FY 2022, under the “MIRAIT ONE Group Vision 2030” and the 5th Medium-Term Management Plan, the Change 1 “People-centric management” initiative—”Business Growth through Human Resource Development,” has progressed as planned. For the KPI, “Creating human resources of over 1,000 for growth areas (by FY 2026),” we have surpassed the halfway point, with more than 700 achieved by the end of FY 2024. We plan to gain momentum toward achieving the KPI target by increasing this to over 900 in FY 2025. Meanwhile, rapid market growth in some areas such as data center-related businesses and urban and regional development has outpaced our personnel shift efforts, presenting the challenge of how to quickly allocate additional personnel in these areas.

Meanwhile, to improve our Group’s capital efficiency, corporate value, and maximize Group synergies, “personnel integration” is steadily progressing. Between our company, SEIBU CONSTRUCTION CO., LTD., and Kokusai Kogyo Co., Ltd., multilayered personnel exchange is promoted. Including other business companies, about 20–30 personnel are seconded mutually each year to foster human integration. Additionally, integration occurs without secondment at project, site, and even non-business event levels, building a framework for synergy via natural communication. At the management level, coordination is also being strengthened: our company not only assigns executive-class personnel to SEIBU CONSTRUCTION CO., LTD. and Kokusai Kogyo Co., Ltd. but also has the management teams of both companies actively participate in discussions and decision-making on Group policies at the Group Executive Committee, driven by a strong sense of ownership. Furthermore, vibrant cross-Group discussions are held in executive retreats, fostering a strong sense of unity and participation.

Focusing on Personnel System Reform

We are also focusing on personnel system reforms aimed at creating mechanisms that allow existing talent to thrive over the long term and strengthening retention. Since FY 2025, the expanded and enhanced “post-retirement reemployment system” (see p.10, “Dialogue with the Co-CEOs”) has already been utilized by more than 80 employees. In addition, we are broadening the scope of the job-based employment system, which has been partially introduced—mainly for managers—since FY 2023, and are working to apply it to about 50 employees in FY 2025. Regarding wage increases, we have been implementing them continuously and in FY 2025, taking into account recent inflation as well as support for childcare and nursing care, we raised salaries—including base pay—as an investment in personnel, and increased bonuses in line with business performance. Furthermore, as a new initiative, we are considering introducing a “multiple-track personnel promotion system” to better reward professionals in specialized fields. In FY 2024, we examined hiring highly skilled specialists in cutting-edge areas of the MIRAI (future) domains and making our compensation system more flexible for them, and we also introduced course-based recruitment to better accommodate the initial placement requests of job applicants.

Engagement Score Rises

In the engagement survey started in FY 2023, the score for FY 2024 rose by 1.4 points year-on-year to 50.4 points. This improvement was achieved by encouraging managers in departments that had relatively low organizational scores in the previous year to make individual improvements, and by steadily implementing measures within the PDCA cycle at the departmental level. Specifically, some departments improved their scores through a single-focus improvement approach, targeting one specific survey item, while others—where many worked from home—required all members to come to the office once a week for an all-hands meeting, which energized communication and led to score improvements. By continuing steady PDCA efforts, we aim to raise the score to 51 or higher in FY 2025, and to 52 or higher in FY 2026, steadily building improvement. Going forward, we also plan to extend the engagement survey beyond MIRAIT ONE Corporation to our Group companies to measure engagement across the Group in a unified manner and drive further improvement.

Toward Further Utilization of the In-House University “Mirai College”

To support business structure reform toward “Beyond a Telecommunications Construction Company,” Mirai College was launched in 2022 as a place to provide “learning” and “connection” to each employee, offering about 110 courses. By the end of FY 2024, the number of courses had expanded to 432, and usage had increased to more than 20,000 participants. With almost all employees of the major Group companies already utilizing it, we are currently encouraging partner companies to use it as well. In FY 2024, the partner company utilization rate reached 56.3%. Although system specification adjustments and other hurdles remain for further expansion, as partner company members are just as highly motivated to take on challenges in the MIRAI (future) domains as Group employees, we aim to raise this utilization rate to 60% in FY 2025 and 65% or higher in FY 2026. We will continue to expand the number of courses, currently focusing on both real and digital training content in cutting-edge areas such as data center-related businesses. Our goal is to reach 450 courses in FY 2025 and over 500 courses in FY 2026.

Further Driving a Virtuous Cycle under the “Human Resources Version: MIRAIT ONE’s Value Creation Model” to Foster Self-Thinking, Self-Driven Professionals

The “virtuous cycle” generated through people-centric management, which has accelerated since 2023, is now entering its second round, expanding to include external stakeholders such as partner companies. Going forward, we aim to further expand this virtuous cycle under the “Human Resources Version: MIRAIT ONE’s Value Creation Model,” introduced last year, and pursue greater value creation, thereby enhancing Group synergies, capital efficiency, and corporate value. To achieve this, strengthening the company’s “self-thinking and self-driven capability” is essential (see p.8, “Dialogue with the Co-CEOs”). As CHRO, I am determined to foster talent equipped with this capability through the series of initiatives described above. Please continue to look forward to MIRAIT ONE Group’s people-centric management.