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Annual Securities Report

For the 15th Fiscal Year
(from April 1, 2024 to March 31, 2025)

MIRAIT ONE Corporation

Annual Securities Report

1. This document is an English equivalent of the Annual Securities Report as set forth in Article 24, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, and prepared for printing by adding a table of contents and pagination to the data filed via the Electronic Disclosure for Investors' NETwork (EDINET) pursuant to Article 27-30-2 of the same Act.
2. Attached at the end of this document are the Audit Reports attached to the Annual Securities Report filed as described above, and the Internal Control Report and Confirmation Letter filed along with the aforementioned Annual Securities Report.

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Audit Reports

Internal Control Report

[Cover]

[Document Filed]	Annual Securities Report
[Applicable Law]	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Filed with]	Director-General, Kanto Local Finance Bureau
[Filing Date]	June 23, 2025
[Fiscal Year]	The 15th Fiscal Year (from April 1, 2024 to March 31, 2025)
[Company Name]	MIRAIT ONE Corporation
[Company Name in English]	MIRAIT ONE Corporation
[Title and Name of Representative]	Toshiki Nakayama, President and CEO
[Address of Head Office]	5-6-36 Toyosu, Koto-ku, Tokyo
[Phone No.]	+81-3-6807-3111
[Contact Person]	Takaaki Mitsuya, Director and CFO
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[Phone No.]	+81-3-6807-3111
[Contact Person]	Takaaki Mitsuya, Director and CFO
[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo)

Part 1. Information on the Company

I. Overview of the Company

1. Key Financial Data

(1) Consolidated financial data

Fiscal year	11th	12th	13th	14th	15th
Year ended	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Net sales (million yen)	463,744	470,385	483,987	518,384	578,599
Ordinary profit (million yen)	31,739	34,152	22,384	18,690	27,470
Profit attributable to owners of parent (million yen)	24,205	25,163	14,781	12,535	17,179
Comprehensive income (million yen)	25,138	25,469	16,517	18,515	21,475
Net assets (million yen)	231,323	249,237	254,305	260,088	269,877
Total assets (million yen)	358,751	435,785	436,752	519,960	537,739
Net assets per share (yen)	2,232.25	2,446.54	2,573.50	2,735.90	2,914.94
Net income per share (yen)	229.59	250.84	151.20	133.34	189.40
Diluted net income per share (yen)	—	—	—	—	—
Equity ratio (%)	63.1	55.6	56.5	48.5	48.6
Return on equity (%)	11.0	10.7	6.0	5.0	6.7
Price-earnings ratio (times)	7.66	7.67	10.70	14.03	11.37
Net cash provided by (used in) operating activities (million yen)	41,602	12,972	5,315	33,625	18,049
Net cash provided by (used in) investing activities (million yen)	1,869	(46,204)	(12,314)	(55,545)	(9,370)
Net cash provided by (used in) financing activities (million yen)	(32,200)	38,395	(12,571)	38,816	(6,412)
Cash and cash equivalents at end of period (million yen)	42,851	48,901	30,399	48,017	51,350
Number of employees [Separately, average number of temporary employees] (persons)	12,882 [2,439]	14,006 [2,291]	14,350 [2,384]	16,985 [2,725]	17,115 [3,024]

- Notes:
1. The amount of diluted net income per share is not stated because there are no dilutive shares outstanding.
 2. The Company has introduced the “Board Benefit Trust”, a performance-linked stock-based remuneration system, since the 7th fiscal year for directors and executive officers of the Company and its subsidiaries (excluding outside Directors and non-executive Directors; hereinafter collectively referred to as the “Group’s Officers”). The Company’s shares held by the Board Benefit Trust are recorded as treasury shares in the consolidated financial statements. In calculating net assets per share, the number of shares held by the Board Benefit Trust is deducted from the total number of shares issued at the end of the fiscal year. Additionally, the number of shares held by the Board Benefit Trust is deducted from the average number of shares of common stock outstanding during the period used in calculating net income per share and diluted net income per share.
 3. The Company has adopted *the Accounting Standard for Revenue Recognition* (ASBJ Statement No. 29 dated March 31, 2020) and other relevant standards from the beginning of the 12th fiscal year. Key financial data for the 12th and subsequent fiscal years is presented after applying these accounting standards.
 4. The Company has finalized the provisional accounting treatment for business combinations in the 13th fiscal year. The figures, etc., for the 12th fiscal year reflect the finalized data of the provisional accounting treatment.

(2) Financial data, etc., of reporting company (non-consolidated)

Fiscal year		11th	12th	13th	14th	15th
Year ended		March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Net sales	(million yen)	13,928	16,652	182,449	223,378	229,338
Ordinary profit	(million yen)	12,307	14,425	12,975	3,898	11,801
Profit	(million yen)	12,278	14,402	67,978	4,580	9,832
Share capital	(million yen)	7,000	7,000	7,000	7,000	7,000
Total number of issued shares	(shares)	108,325,329	108,325,329	103,325,329	94,325,329	91,325,329
Net assets	(million yen)	111,920	116,565	175,891	167,877	165,954
Total assets	(million yen)	166,364	237,063	332,278	394,017	397,204
Net assets per share	(yen)	1,103.56	1,177.85	1,833.97	1,822.75	1,849.89
Dividend paid per share [Of which, interim dividend per share]	(yen)	45 [22]	55 [25]	60 [30]	65 [30]	75 [35]
Net income per share	(yen)	116.46	143.57	695.34	48.72	108.40
Diluted net income per share	(yen)	—	—	—	—	—
Equity ratio	(%)	67.3	49.2	52.9	42.6	41.8
Return on equity	(%)	10.9	12.6	46.5	2.7	5.9
Price-earnings ratio	(times)	15.09	13.39	2.33	38.41	19.87
Payout ratio	(%)	38.6	38.3	8.6	133.4	69.2
Number of employees [Separately, average number of temporary employees]	(persons)	106 [—]	110 [—]	3,635 [125]	3,622 [114]	3,619 [121]
Total shareholder return [Benchmark: TOPIX Total Return Index]	(%)	139.0 [142.1]	152.1 [145.0]	134.3 [153.4]	158.5 [216.8]	184.0 [213.4]
Highest share price	(yen)	1,913.0	2,403.0	2,009.0	2,058.0	2,444.5
Lowest share price	(yen)	1,173.0	1,719.0	1,399.0	1,628.0	1,693.0

- Notes:
1. The amount of diluted net income per share is not stated because there are no dilutive shares outstanding.
 2. The Company has introduced the “Board Benefit Trust”, a performance-linked stock-based remuneration system, since the 7th fiscal year for the Group’s Officers. The Company’s shares held by the Board Benefit Trust are recorded as treasury shares in the financial statements. In calculating net assets per share, the number of shares held by the Board Benefit Trust is deducted from the total number of shares issued at the end of the fiscal year. Additionally, the number of shares held by the Board Benefit Trust is deducted from the average number of shares of common stock outstanding during the period used in calculating net income per share and diluted net income per share.
 3. The highest and lowest share prices are quoted prices on the First Section of the Tokyo Stock Exchange before April 3, 2022, and on the Prime Market of the Tokyo Stock Exchange after April 4, 2022.
 4. The Company conducted an absorption-type merger effective July 1, 2022, with the Company as the surviving company and its wholly owned subsidiaries, MIRAIT Corporation and MIRAIT Technologies Corporation, as the defunct companies, and transitioned from a pure holding company to an operating holding company. Consequently, the financial data, etc., for the 13th fiscal year are substantially different from those for the 12th fiscal year and earlier.
 5. The year-end dividend of 40 yen per share out of the annual dividend of 75 yen per share for the fiscal year ended March 31, 2025, is a proposal to be resolved at the Ordinary General Meeting of Shareholders to be held on June 25, 2025.

2. History

MIRAIT ONE Corporation (the “Company”) was established in October 2010 as a joint holding company through a share transfer among Daimei Telecom Engineering Corporation (“Daimei”), Commuture Corporation (“Commuture”), and TODENTSU Corporation (“TODENTSU”), which were engaged in telecommunications facility work and other businesses.

In July 2022, the Company transitioned from a joint holding company to an operating holding company through a merger with its consolidated subsidiaries, MIRAIT Corporation and MIRAIT Technologies Corporation.

The history of the corporate group is as follows.

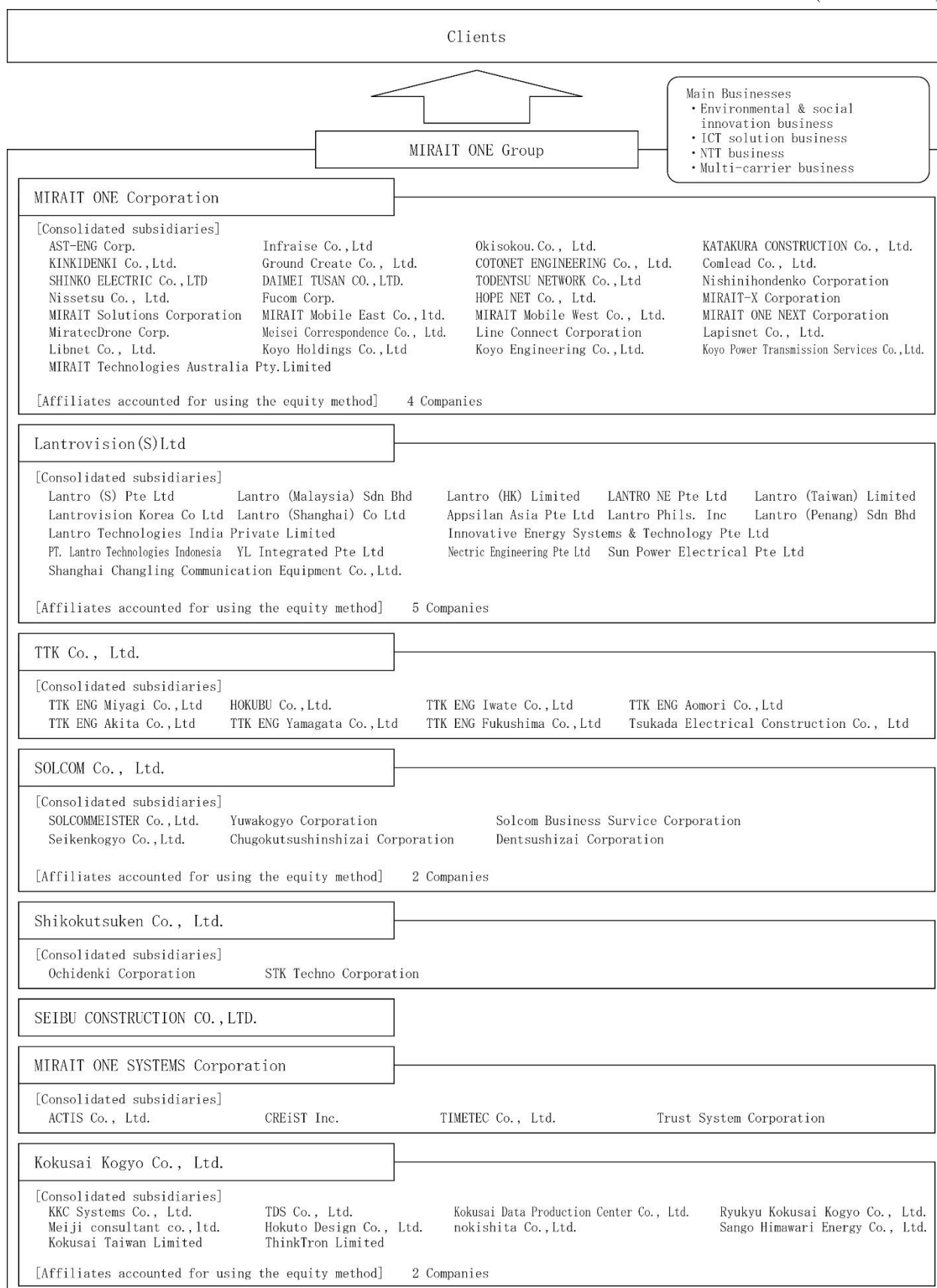
Month and year	Event
November 2009	Daimei, Commuture, and TODENTSU (hereinafter collectively the “Three Companies”) executed a memorandum of understanding on business integration through the establishment of a joint holding company (share transfer).
May 2010	The Three Companies agreed to jointly establish a holding company through a share transfer, subject to approval at their respective ordinary general meetings of shareholders and other conditions. A share transfer plan was prepared, and a business integration agreement was executed.
June 2010	At the Three Companies’ respective ordinary general meetings of shareholders, it was approved and resolved that the Three Companies would jointly establish the Company by means of a share transfer and that the Three Companies would become wholly owned subsidiaries of the Company.
October 2010	The Three Companies established the Company by means of a share transfer. The Company’s common shares were listed on the First Section of Tokyo Stock Exchange, Inc. and Osaka Securities Exchange, Inc.
January 2012	TODENTSU acquired shares of Nissetsu Co., Ltd. and made it a consolidated subsidiary.
October 2012	Daimei merged with TODENTSU and changed its trade name to MIRAIT Corporation. Commuture changed its trade name to MIRAIT Technologies Corporation.
October 2013	Daimei Next Co., Ltd., Todentsu Technos Corp., and Renat Tokyo Corp. were merged, which subsequently changed its trade name to M’s Frontier Corporation. Renat Kansai Co., Ltd., Daimei Engineering Corp., and Todentsu Engineering West Japan Corp. were merged, which subsequently changed its trade name to AST-ENG Corp.
July 2014	MIRAIT Technologies Corporation acquired shares of CCTS Telecommunications Construction Pty. Limited (currently MIRAIT Technologies Australia Pty. Limited) in Australia and made it a consolidated subsidiary.
October 2015	IP TECHNO SERVICE CORP. changed its trade name to MIRAIT-X Corporation due to the contribution of capital by ORIX Corporation.
June 2016	Mirait Singapore Pte. Ltd. acquired shares of Lantrovision (S) Ltd, a Singapore-based company, and made it a consolidated subsidiary.
December 2016	The Company issued yen-denominated convertible bond-type bonds with share acquisition rights subject to call, due in 2021 (totaling 16.5 billion yen).
June 2017	Lantrovision (S) Ltd merged by absorption with Mirait Singapore Pte. Ltd.
October 2018	The Company conducted business integration with TTK Co., Ltd. through a share exchange and acquired TTK Co., Ltd. and its eight consolidated subsidiaries as consolidated subsidiaries.
January 2019	The Company conducted business integration with SOLCOM Co., Ltd. through a share exchange and acquired SOLCOM Co., Ltd. and its seven consolidated subsidiaries as consolidated subsidiaries. The Company conducted business integration with Shikokutsuken Co., Ltd. through a share exchange and acquired Shikokutsuken Co., Ltd. and its consolidated subsidiary as consolidated subsidiaries.
December 2019	The Company redeemed in advance all the yen-denominated convertible bond-type bonds with share acquisition rights subject to call, due in 2021, issued in December 2016.
March 2020	Lantrovision (S) Ltd acquired shares of YL Integrated Pte Ltd and made it a consolidated subsidiary.
June 2020	Lantrovision (S) Ltd acquired shares of Shanghai Changling Communication Equipment Co., Ltd. and made it a consolidated subsidiary.
March 2022	The Company acquired shares of SEIBU CONSTRUCTION Co., LTD. and made it a consolidated subsidiary.
April 2022	The Company moved from the First Section to the Prime Market due to the revision of the market division of the Tokyo Stock Exchange.

Month and year	Event
July 2022	The Company established MIRAIT ONE SYSTEMS Corporation. The Company merged with MIRAIT Corporation and MIRAIT Technologies Corporation, and changed its trade name to MIRAIT ONE Corporation.
December 2023	The Company acquired shares of Kokusai Kogyo Co., Ltd., and acquired Kokusai Kogyo and its ten consolidated subsidiaries as consolidated subsidiaries.
July 2024	The Company acquired shares of Koyo Holdings Co., Ltd., and acquired Koyo Holdings and its three consolidated subsidiaries as consolidated subsidiaries.
January 2025	Tohoken System Engineering Corp., M's Frontier Corporation, TODENTSU Access Corporation, Ligare Co., Ltd., and Agility RISE Co., Ltd. were merged, which subsequently changed its trade name to MIRAIT ONE NEXT Corporation.

3. Description of Business

The MIRAITS ONE Group (the “Group”) comprises the Company as the operating holding company, and 83 consolidated subsidiaries including MIRAITS ONE Corporation, Lantrovision (S) Ltd, TTK Co., Ltd., SOLCOM Co., Ltd, Shikokutsuken Co., Ltd., SEIBU CONSTRUCTION Co., LTD., MIRAITS ONE SYSTEMS Corporation, and Kokusai Kogyo Co., Ltd., and is mainly engaged in environmental and social innovation business, ICT solutions business, NTT business, and multi-carrier business. The Group’s operational structure is as follows.

(As of March 31, 2025)



Changes in subsidiaries and affiliated companies are as follows:

- Since the Company acquired shares of Koyo Holdings Co., Ltd., the entity and its three subsidiaries (Koyo Engineering Co., Ltd., Koyo Telecommunications Co., Ltd., and one other entity) were included in the scope of consolidation. Koyo Telecommunications Co., Ltd. was removed from the scope of consolidation since it was dissolved due to an absorption-type merger in which Koyo Engineering Co., Ltd. was the surviving company.
- Futatsuyama Construction Co., Ltd. was removed from the scope of consolidation since it was dissolved due to an absorption-type merger in which its consolidated subsidiary, HOKUBU Co., Ltd., was the surviving company.
- As Meiji consultant co., ltd., a consolidated subsidiary of the Company, acquired all of the outstanding shares of Hokuto Design Co., Ltd., it was included in the scope of consolidation.
- As Lantrovision (S) Ltd, a consolidated subsidiary of the Company, sold all the shares of Lantro Myanmar Co. Ltd, it was removed from the scope of consolidation.
- Agility RISE Co., Ltd., M's Frontier Corporation, TODENTSU Access Corporation, and Ligare Co., Ltd. were removed from the scope of consolidation, since they were dissolved due to an absorption-type merger in which Tohoken System Engineering Corp. (whose name was changed to MIRAIT ONE NEXT Corporation on January 1, 2025) was the surviving company.
- Kesennuma Green Energy INC. was removed from the scope of the application of the equity method because the Company sold its shares of the entity.

4. Subsidiaries and Other Affiliated Entities

(As of March 31, 2025)

Company name	Address	Share capital (million yen)	Main line of business	Ratio of voting rights holding [held] (%)	Description of relationship	
					Concurrent appointments of Officers (persons)	Financial assistance
(Consolidated subsidiaries)						
AST-ENG Corp.	Matsubara City, Osaka Pref.	70	Information and telecommunications engineering business	100.0	—	—
Infraise Co., Ltd.	Koto-ku, Tokyo	99	Water supply and drainage business and civil engineering business, etc.	100.0	—	—
Okisokou Co., Ltd. (Note) 3	Naha City, Okinawa Pref.	30	Information and telecommunications engineering business	45.1	—	Yes
KATAKURA CONSTRUCTION Co., Ltd.	Setagaya-ku, Tokyo	50	Information and telecommunications engineering business	98.9	—	Yes
Kinki Denki Corp.	Izumi City, Osaka Pref.	44	Information and telecommunications engineering business	54.7	—	—
Ground Create Co., Ltd.	Nishi-ku, Osaka City	30	Information and telecommunications engineering business	100.0	—	—
Koyo Holdings Co., Ltd.	Utsunomiya City, Tochigi Pref.	10	Business management of the Koyo Group	100.0	—	—
Koyo Engineering Co., Ltd. (Note) 2	Utsunomiya City, Tochigi Pref.	90	Information and telecommunications engineering business	100.0 [100.0]	—	—
Koyo Power Transmission Services Co.,Ltd. (Note) 2	Utsunomiya City, Tochigi Pref.	3	Information and telecommunications engineering business	100.0 [100.0]	—	—
COTONET ENGINEERING Co., Ltd.	Shimogyo-ku, Kyoto City	50	Information and telecommunications engineering business	100.0	—	—
Comlead Co., Ltd.	Naniwa-ku, Osaka City	60	Information and telecommunications engineering business	100.0	—	—
SINKO ELECTRIC CORP.	Toyonaka City, Osaka Pref.	42	Information and telecommunications engineering business	88.9	—	—
DAIMEI TUSAN CORP.	Koto-ku, Tokyo	100	Sale of materials and other items related to telecommunications facilities, and sale and lease of construction equipment	100.0	—	—
TODENTSU NETWORK Co., Ltd	Koto-ku, Tokyo	55	Information and telecommunications engineering business	100.0	—	—

Company name	Address	Share capital (million yen)	Main line of business	Ratio of voting rights holding [held] (%)	Description of relationship	
					Concurrent appointments of Officers (persons)	Financial assistance
Nishinihondenko Corporation	Minami-ku, Kumamoto City	20	Information and telecommunications engineering business	99.1	—	—
Nissetsu Co., Ltd.	Minato-ku, Tokyo	100	Air conditioning, sanitary, and electrical facility work business	100.0	—	—
Fucom Corp.	Nishi-ku, Osaka City	50	Information services business, etc.	100.0	—	—
HOPE NET Co., Ltd.	Chiyoda-ku, Tokyo	55	Staffing services	100.0	—	—
MIRAIT-X Corporation	Koto-ku, Tokyo	20	Installation and sale of solar power and storage battery systems	66.5	—	Yes
MIRAIT Solutions Corporation	Shinjuku-ku, Tokyo	50	Information and telecommunications engineering business	100.0	—	—
MIRAIT Mobile East Co., Ltd.	Koto-ku, Tokyo	35	Information and telecommunications engineering business	100.0	—	Yes
MIRAIT Mobile West Co., Ltd.	Naniwa-ku, Osaka City	60	Information and telecommunications engineering business	100.0	—	—
MIRAIT ONE NEXT Corporation	Koto-ku, Tokyo	100	Information and telecommunications engineering business	100.0	—	—
MiratecDrone Corp.	Shinagawa-ku, Tokyo	100	Drone services business	100.0	—	Yes
Meisei Correspondence Co., Ltd. (Note) 3	Chofu City, Tokyo	33	Information and telecommunications engineering business	40.0	—	—
Line Connect Corporation (Note) 2	Kashiwa City, Chiba Pref.	10	Information and telecommunications engineering business	100.0 [100.0]	—	—
Lapisnet Co., Ltd.	Higashinada- ku, Kobe City	50	Information and telecommunications engineering business	100.0	—	—
Libnet Co., Ltd.	Ise City, Mie Pref.	100	Contracted library operations, consulting, and system development	100.0	—	—
MIRAIT Technologies Australia Pty. Limited	New South Wales, Australia	0.1 mil. AUD	Information and telecommunications engineering business	58.6	—	Yes

Company name	Address	Share capital (million yen)	Main line of business	Ratio of voting rights holding [held] (%)	Description of relationship	
					Concurrent appointments of Officers (persons)	Financial assistance
Lantrovision (S) Ltd (Note) 1	Singapore	59 mil. SGD	Design, construction, maintenance, consulting of LAN wiring, etc. and sale of equipment	100.0	1	—
Lantro (Malaysia) Sdn Bhd (Note) 2	Kuala Lumpur, Malaysia	1 mil. MYR	Information and telecommunications engineering business	100.0 [100.0]	—	—
Lantro (Penang) Sdn Bhd (Note) 2	Penang, Malaysia	0.25 mil. MYR	Information and telecommunications engineering business	100.0 [100.0]	—	—
Lantro (HK) Limited (Note) 2	Kowloon, Hong Kong	5 mil. HKD	Information and telecommunications engineering business	100.0 [100.0]	—	—
Lantrovision Korea Co. Ltd (Note) 2	Seoul Special City, Republic of Korea	196 mil. KRW	Information and telecommunications engineering business	100.0 [100.0]	—	—
Lantro (Shanghai) Co. Ltd (Note) 2	Shanghai, China	10 mil. RMB	Information and telecommunications engineering business	70.0 [70.0]	—	—
Lantro (Taiwan) Ltd (Note) 2	Taipei, Republic of China	20 mil. TWD	Information and telecommunications engineering business	85.0 [85.0]	—	—
Lantro Technologies India Private Limited (Note) 2	Bangalore, India	30 mil. INR	Information and telecommunications engineering business	100.0 [100.0]	—	—
LANTRO NE PTE LTD (Note) 2	Singapore	0.2 mil. SGD	Information and telecommunications engineering business	100.0 [100.0]	—	—
Appsilan Asia Pte Ltd (Note) 2	Singapore	0.15 mil. SGD	Management services for data centers	100.0 [100.0]	—	—
Lantro (S) Pte Ltd (Note) 2	Singapore	2.5 mil. SGD	Information and telecommunications engineering business	100.0 [100.0]	—	—
Lantro Phils. Inc. (Note) 2	Pasig, the Philippines	17 mil. PHP	Information services business, etc.	100.0 [100.0]	—	—
Innovative Energy Systems & Technology Pte. Ltd. (Note) 2	Singapore	0.15 mil. SGD	Information services business, etc.	60.0 [60.0]	—	—
PT. Lantro Technologies Indonesia (Note) 2	Jakarta, Indonesia	14,478 mil. INR	Information and telecommunications engineering business	60.0 [60.0]	—	—
YL Integrated Pte Ltd (Note) 2	Singapore	1 mil. SGD	Design, construction, and management of general electrical work and electrical facility work	85.0 [85.0]	—	—
Nectric Engineering Pte Ltd (Notes) 2, 3	Singapore	0.25 mil. SGD	Design, construction, and management of general electrical work and electrical facility work	48.2 [48.2]	—	—
Sun Power Electrical Pte Ltd (Notes) 2, 3	Singapore	0.25 mil. SGD	Design, construction, and management of general electrical work and electrical facility work	47.2 [47.2]	—	—

Company name	Address	Share capital (million yen)	Main line of business	Ratio of voting rights holding [held] (%)	Description of relationship	
					Concurrent appointments of Officers (persons)	Financial assistance
Shanghai Changling Communication Equipment Co., Ltd. (Note) 2	Shanghai, China	60 mil. RMB	Construction of telecommunications towers and sharing services	50.1 [50.1]	—	—
TTK Co., Ltd. (Note) 1	Wakabayashi- ku, Sendai City	2,847	Information and telecommunications engineering business	100.0	—	—
TTK ENG Miyagi Co., Ltd. (Note) 2	Wakabayashi- ku, Sendai City	30	Information and telecommunications engineering business	100.0 [100.0]	—	—
HOKUBU Co., Ltd. (Note) 2	Wakabayashi- ku, Sendai City	20	Information and telecommunications engineering business	100.0 [100.0]	—	—
TTK ENG Iwate Co., Ltd. (Note) 2	Yahaba Town, Iwate Pref.	30	Information and telecommunications engineering business	100.0 [100.0]	—	—
TTK ENG Aomori Co., Ltd. (Note) 2	Aomori City, Aomori Pref.	30	Information and telecommunications engineering business	100.0 [100.0]	—	—
TTK ENG Akita Co., Ltd. (Note) 2	Akita City, Akita Pref.	30	Information and telecommunications engineering business	100.0 [100.0]	—	—
TTK ENG Yamagata Co., Ltd. (Note) 2	Yamagata City, Yamagata Pref.	30	Information and telecommunications engineering business	100.0 [100.0]	—	—
TTK ENG Fukushima Co., Ltd. (Note) 2	Fukushima City, Fukushima Pref.	30	Information and telecommunications engineering business	100.0 [100.0]	—	—
Tsukada Electrical Construction Co., Ltd. (Note) 2	Aoba-ku, Sendai City	50	Information and telecommunications engineering business	100.0 [100.0]	—	Yes
SOLCOM Co., Ltd. (Note) 1	Naka-ku, Hiroshima City	2,324	Information and telecommunications engineering business	100.0	—	—
SOLCOMMEISTER Co., Ltd. (Note) 2	Aki District, Hiroshima Pref.	100	Information and telecommunications engineering business	100.0 [100.0]	—	—
Yuwakogyo Corporation (Note) 2	Nishi-ku, Hiroshima City	70	Information and telecommunications engineering business	100.0 [100.0]	—	Yes
Seikenkogyo Co., Ltd. (Note) 2	Ube City, Yamaguchi Pref.	50	Information and telecommunications engineering business	100.0 [100.0]	—	—
Solcom Business Service Corporation (Note) 2	Minami-ku, Hiroshima City	30	Sale, maintenance, and lease of information processing equipment	100.0 [100.0]	—	—

Company name	Address	Share capital (million yen)	Main line of business	Ratio of voting rights holding [held] (%)	Description of relationship	
					Concurrent appointments of Officers (persons)	Financial assistance
Chugokutsushinshizai Corporation (Note) 2	Higashihiroshima City, Hiroshima Pref.	70	Procurement and sale of materials for information and telecommunications construction	100.0 [100.0]	—	—
Dentsushizai Corporation (Note) 2	Aki District, Hiroshima Pref.	50	Vehicle delivery of telecommunications cargo	63.1 [63.1]	—	—
Shikokutsuken Co., Ltd.	Imabari City, Ehime Pref.	450	Information and telecommunications engineering business	100.0	—	—
Ochidenki Corporation (Note) 2	Imabari City, Ehime Pref.	50	Information and telecommunications engineering business	100.0 [100.0]	—	—
STK Techno Corporation (Note) 2	Imabari City, Ehime Pref.	30	Information and telecommunications engineering business	100.0 [100.0]	—	—
SEIBU CONSTRUCTION Co., LTD. (Notes) 1, 4	Tokorozawa City, Saitama Pref.	11,000	General construction business for civil engineering, building construction, and other construction work	95.0	—	—
MIRAIT ONE SYSTEMS Corporation	Minato-ku, Tokyo	100	Information services business, etc.	100.0	—	—
ACTIS Co., Ltd. (Note) 2	Chiyoda-ku, Tokyo	100	Information services business, etc.	85.0 [85.0]	—	—
CREiST Inc. (Note) 2	Shinagawa-ku, Tokyo	35	Information services business, etc.	71.4 [71.4]	—	Yes
TIMETEC Co., Ltd. (Note) 2	Suita City, Osaka Pref.	50	Contracted software development, system development and operations	100.0 [100.0]	—	—
Trust System Corporation (Note) 2	Chiyoda-ku, Tokyo	100	General operations related to information system development	100.0 [100.0]	—	—
Kokusai Kogyo Co., Ltd. (Note) 1	Shinjuku-ku, Tokyo	6,794	Consulting business for spatial information	100.0	—	Yes
KKC Systems Co., Ltd. (Note) 2	Fuchu City, Tokyo	35	Consulting business for spatial information	100.0 [100.0]	—	Yes
TDS Co., Ltd. (Note) 2	Fuchu City, Tokyo	100	Consulting business for spatial information	100.0 [100.0]	—	—
Kokusai Data Production Center Co., Ltd. (Note) 2	Fuchu City, Tokyo	50	Consulting business for spatial information	100.0 [100.0]	—	Yes

Company name	Address	Share capital (million yen)	Main line of business	Ratio of voting rights holding [held] (%)	Description of relationship	
					Concurrent appointments of Officers (persons)	Financial assistance
Ryukyu Kokusai Kogyo Co., Ltd. (Note) 2	Naha City, Okinawa Pref.	40	Consulting business for spatial information	100.0 [100.0]	—	Yes
Meiji consultant co., ltd. (Note) 2	Chuo-ku, Sapporo City	10	Consulting business for spatial information	100.0 [100.0]	—	Yes
Hokuto Design Co., Ltd. (Note) 2	Abashiri City, Hokkaido Pref.	30	Consulting business for spatial information	100.0 [100.0]	—	—
nokishita Co., Ltd. (Note) 2	Miyagino-ku, Sendai City	30	Operations of a co- existence complex	100.0 [100.0]	—	—
Sango Himawari Energy Co., Ltd. (Note) 2	Sango Town, Ikoma District, Nara Pref.	30	Regional new power producer and supplier business	100.0 [100.0]	—	—
Kokusai Taiwan Limited (Note) 2	Taipei City, Taiwan	43 mil. TWD	Consulting business for spatial information	100.0 [100.0]	—	—
ThinkTron Limited (Note) 2	Taipei City, Taiwan	30 mil. TWD	Consulting business for spatial information	86.7 [86.7]	—	—

Company name	Address	Share capital (million yen)	Main line of business	Ratio of voting rights holding [held] (%)	Description of relationship	
					Concurrent appointments of Officers (persons)	Financial assistance
(Affiliates accounted for using the equity method)						
Sumiden Communication Engineering Co., Ltd.	Totsuka-ku, Yokohama City	150	Information and telecommunications engineering business	49.0	—	—
Nihon Sangyo Co., Ltd.	Iruma District, Saitama Pref.	72	Management of golf courses	50.0	—	Yes
MIRAIT PHILIPPINES INC.	Quezon, the Philippines	126 mil. PHP	Information and telecommunications engineering business	100.0	—	Yes
Altro Solutions Pte Ltd (Note) 2	Singapore	0.2 mil. SGD	Information and telecommunications engineering business	50.0 [50.0]	—	—
Lantrovision Inc. (Note) 2	Pasig, the Philippines	5 mil. PHP	Information and telecommunications engineering business	40.0 [40.0]	—	—
Lantro (Thailand) Co. Ltd (Note) 2	Bangkok, Thailand	38 mil. THB	Information and telecommunications engineering business	49.0 [49.0]	—	—
Lantro (Vietnam) Co. Ltd (Note) 2	Ho Chi Minh, Vietnam	2,393 mil. VND	Information and telecommunications engineering business	41.7 [41.7]	—	—
Lantro (Cambodia) Co. Ltd (Note) 2	Phnom Penh, Cambodia	0.05 mil. USD	Information and telecommunications engineering business	49.0 [49.0]	—	—
NEO SEC Inc. (Note) 2	Shimonoseki City, Yamaguchi Pref.	10	Information and telecommunications engineering business	20.0 [20.0]	—	—
Hi-Elecom Co., Ltd. (Note) 2	Nishi-ku, Hiroshima City	90	Information services business, etc.	27.8 [27.8]	—	—
LBS Digital Infrastructure Corp.	Taguig, the Philippines	12 mil. PHP	Construction and leasing of telecommunications towers for mobile phones	25.0	—	—
Mid Map Tokyo Corporation (Note) 2	Meguro-ku, Tokyo	15	Sale and management of map (1: 2,500 scale) database of Tokyo	40.0 [40.0]	—	—
RTi-cast Inc. (Note) 2	Aoba-ku, Sendai City	48	Real-time tsunami damage forecast system	48.1 [48.1]	—	—

- Notes: 1. Falls under a specified subsidiary.
2. The figures in the square brackets in “Ratio of voting rights holding [held]” indicate the indirect ownership ratio included in the total.
3. Although the ratio of voting rights the Company holds is 50% or less, it is classified as a subsidiary because it substantially controls the entity.
4. The following company accounts for more than 10% of consolidated net sales (excluding intra-group sales). Results of operations for the company are as follows:

(Millions of yen)					
Company name	Net sales	Ordinary profit	Profit	Net assets	Total assets
SEIBU CONSTRUCTION Co., LTD.	70,729	2,883	2,077	41,837	65,016

5. Employees

(1) Information about consolidated companies

(As of March 31, 2025)

Segment name	Number of employees (persons)
MIRAIT ONE	7,858 [1,295]
Lantrovision	1,502 [283]
TTK	1,170 [545]
SOLCOM	1,421 [356]
Shikokutsuken	687 [177]
SEIBU CONSTRUCTION	675 [26]
MIRAIT ONE SYSTEMS	1,296 [28]
Kokusai Kogyo	2,506 [315]
Total	17,115 [3,024]

- Notes: 1. The number of employees represents the number of regular employees (including individuals seconded from outside the Group to the Group, and excluding individuals seconded from the Group to outside the Group).
2. The number of temporary employees (including contract employees and part-time employees) is shown separately in [] as the average number of employees during the current fiscal year.

(2) Information about reporting company (non-consolidated)

(As of March 31, 2025)

Number of employees (persons)	Average age	Average length of service (years)	Average annual salary (yen)
3,619	44.2	16.7	7,251,178

Note: Average annual salary includes bonuses and extra wages.

(3) Labor union

The labor unions of the Group include the Council of MIRAIT ONE & Allied Labor Union (3,785 members), the Tohoku Information Infrastructure Union-TTK Group Companies Branch (1,086 members), the Council of SOLCOM & Allied Labor Union (687 members), the Shikokutsuken Labor Union (79 members), and the Kokusai Kogyo Labor Union (252 members). Labor-management relations are favorable, and there are no special matters to be noted.

(4) Ratio of women in managerial positions, rate of parental leave taken by male employees, and gender wage gap

1) Reporting company

Fiscal year ended March 31, 2025						
Name	Ratio of women in managerial positions (%) (Notes 1, 2)	Rate of parental leave taken by male employees (%) (Note 2)		Gender wage gap (%) (Notes 1, 2, 4, 5)		
		Rate of parental leave taken (%) (Note 1)	Rate of leave taken for childcare, child-nursing and other reasons (%) (Note 3)	All employees	Regular employees	Part-time and fixed-term employees
MIRAIT ONE Corporation	4.4	69.0	95.1	73.4	72.9	77.2

- Notes:
- Figures are calculated in accordance with the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).
 - The ratio of women in managerial positions is the percentage as of March 31, 2025, and the rate of parental leave taken by male employees and the gender wage gap are the percentages for the fiscal year ended March 31, 2025. The data includes individuals seconded from the Company to other companies, and excludes those seconded from other companies to the Company.
 - The figure represents the rate of leave taken for childcare, child-nursing and other reasons stipulated in Article 71-6, Item 2 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25 of 1991), based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).
 - Wages are calculated inclusive of base salary, overtime compensation, bonuses, etc., and exclusive of retirement allowance, commuting allowance, etc.
Part-time and fixed-term employees include fixed-term contract employees, temporary employees, and part-timers. Wages for part-timers are calculated based on actual wages paid, not converted to full-time equivalents.
 - The main factors contributing to the gender wage gap are as follows.
For regular employees, the gap is due to an increased ratio of younger age groups among all female employees owing to the recent efforts to recruit more female new graduates to promote female advancement, as well as a low ratio of women in managerial positions.
Note that the wage gap between male and female employees in their 20s at the Company is 93.4%. (Average age: Male: 45.0; Female: 37.8) For part-time and fixed-term employees, the gap is due to the higher number of men among the highly-paid skilled individuals, etc.

To increase the ratio of women in managerial positions, the Company has implemented training programs specifically for female employees and promoted MIRAIT ONE-style work lifestyle reforms. As a result, the number of female employees promoted to managerial roles has increased, leading to an 8% rise in the total number of female managers as of March 31, 2025, compared to the previous fiscal year. In addition, we are actively recruiting and developing female engineers, fostering an environment in which women can thrive across a wide range of technical fields.

) Major consolidated subsidiaries

Fiscal year ended March 31, 2025						
Name	Ratio of women in managerial positions (%) (Notes 1, 2)	Rate of parental leave taken by male employees (%) (Note 2)		Gender wage gap (%) (Notes 1, 2, 4, 5)		
		Rate of parental leave taken (%) (Note 1)	Rate of leave taken for childcare, child-nursing and other reasons (%) (Note 3)	All employees	Regular employees	Part-time and fixed-term employees
TTK Co., Ltd.	5.3	91.7	91.7	56.7	57.5	76.8
SOLCOM Co., Ltd.	2.5	62.5	100.0	64.7	65.8	64.0
Shikokutsuken Co., Ltd.	0.0	73.3	106.7	53.5	65.3	84.3
SEIBU CONSTRUCTION Co., LTD.	1.7	52.9	70.6	72.7	70.0	50.2
MIRAIT ONE SYSTEMS Corporation	9.8	—	—	77.5	80.4	54.0
Kokusai Kogyo Co., Ltd.	9.9	64.0	92.0	70.7	76.8	61.2

- Notes:
- Figures are calculated in accordance with the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).
 - The ratio of women in managerial positions is the percentage as of March 31, 2025, and the rate of parental leave taken by male employees and the gender wage gap are the percentages for the fiscal year ended March 31, 2025. The data includes individuals seconded from the Company to other companies, and excludes those seconded from other companies to the Company.
 - Figures represent the rate of leave taken for childcare, child-nursing and other reasons stipulated in Article 71-6, Item 2 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991), based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).
 - Wages are calculated inclusive of base salary, overtime compensation, bonuses, etc., and exclusive of retirement allowance, commuting allowance, etc.
Part-time and fixed-term employees include fixed-term contract employees, temporary employees, and part-timers. Wages for part-timers are calculated based on actual wages paid, not converted to full-time equivalents.
 - Characteristic factors in gender wage gaps at major consolidated subsidiaries are as follows.
TTK: The figure for regular employees reflects a high ratio, which is approximately 42%, of contract employees converted to indefinite-term contracts among all female employees. Note that the wage gap between male and female employees in their 20s is 92.9%.
Shikokutsuken: A large gap in all employees is due to the high ratio of part-time and fixed-term employees among all female employees. The gap in regular employees is attributable to a high ratio of general office workers among all female employees. Note that the wage gap between male and female employees in their 20s is 95.2%.
SEIBU CONSTRUCTION: A large gap in part-time and fixed-term employees is due to the high ratio of male regular employees being reemployed after retirement.
MIRAIT ONE SYSTEMS: The main factor contributing to the gap is about 20% of part-timers with short working hours among female part-time and fixed-term employees.
Each company has set specific numerical targets for the promotion of women's advancement and is implementing initiatives to achieve these targets.
 - Figures for consolidated subsidiaries other than the major consolidated subsidiaries are presented in "VII. Reference Information on Reporting Company, 2. Other Reference Information, (2) Ratio of women in managerial positions, rate of parental leave taken by male employees, and gender wage gap."

II. Overview of Business

1. Management Policy, Business Environment, and Issues to Be Addressed

Forward-looking statements contained herein are based on the Company's judgment as at the end of the fiscal year ended March 31, 2025.

(1) Basic management policy

In July 2022, when the Group was newly launched as the MIRAIT ONE Group, we defined our purpose and mission as follows.

Purpose

Co-creating an exciting future through challenges and technology.

Mission

- Meeting customer expectations and contributing to the realization of a prosperous society.
- Constantly refining our technology and business model to add more value.
- Building and maintaining future social infrastructure with our partners.
- Creating an attractive corporate culture with a diverse and dynamic workforce.
- Continuing to be a trusted company through improved sustainability and strict compliance.

Based on our Purpose and Mission, while thoroughly nurturing existing businesses and services, we will further accelerate business expansion by identifying up and coming growth areas, the MIRAI (future) Domain (hereinafter, MIRAI Domain), and mobilizing group resources to expand urban and regional development, corporate DX and GX, green energy business, software business, and global business. By working to help customers and society solve problems and revitalize local communities, we aim to increase corporate value and achieve sustainable growth.

(2) Business environment and medium- to long-term management strategies

The business environment surrounding the MIRAIT ONE Group is undergoing significant changes. Investments from our main customers, telecommunications carriers, are shifting focus from constructing telecommunications infrastructure to enhancing telecommunications quality and exploring new service areas. Consequently, the telecommunications infrastructure domain is expected to decline in the medium- to long- term.

On the other hand, the enterprise/environmental social infrastructure domain is expected to see further growth opportunities. They include measures to address the aging of infrastructure, such as roads, bridges, and water and sewer pipes, efforts to achieve a carbon-neutral society, responses to natural disasters caused by climate change, and the increasing demand for data centers driven by the rapid spread of artificial intelligence (AI) and other digital-infrastructure trends.

Against this backdrop, the Group aims to evolve into a corporate group that continues to contribute to addressing various social issues in a broad range of social infrastructure areas. To remain a reliable corporate group that builds and maintains future social infrastructure, the Group is advancing the MIRAIT ONE Group Vision 2030 as its business vision for 2030, along with the fifth Medium-term Management Plan, which covers the five years ending in FY2026.

Outline of management strategy in the MIRAIT ONE Group Vision 2030

The MIRAIT ONE Group Vision 2030 is centered on five changes as a new growth strategy based on the key word that we will change and the future will change.

◇ Change 1: People-centric management

- MIRAI College: Driving force of business structure reform, providing learning and connection
- Health and Productivity Management, creating a friendly working environment and protecting the physical and mental health of employees
- MIRAIT ONE work style reforms supporting work-life balance

◇ Change 2: Acceleration of business growth

- Strategically addressing business growth through human resources growth and organically combining and mobilizing the Group's resources in the growth areas of MIRAI Domain (promotion of business structure reform to a full-value model)
 - ◆ Urban development and regional development business, and acceleration of corporate DX and promotion of green transformation (GX)
 - ◆ Expansion of the green energy business contributing to decarbonization

- ◆ Strengthening of SI (system integration) business contributing to customers' DX
- ◆ Strengthening of global business promoting overseas data center-related business and infrastructure sharing
- Strengthening of customer base of existing business (responding to expansion of customers and growth of customers)
- ◇ Change 3: Top-class profitability
 - Strengthening of management foundation through concentration and improvement of efficiency by integrating the Three Companies
 - Fundamental revision and improvement of the efficiency of operations through the utilization of data insight and generative AI, etc.
 - Review of existing operations and costs through promotion of group coordination
- ◇ Change 4: Management based on data insights
 - Establishment of knowledge-based data environment and optimization of sales approach (aggressive DX)
 - Value chain reform, smart construction, utilization of BPO/RPA/robotics (defensive DX)
 - Development of experts and core personnel, improvement of companywide literacy (development of DX personnel)
- ◇ Change 5: Strong foundation for ESG management
 - Initiatives aimed at the achievement of greenhouse gas (GHG) reduction targets (science-based targets)
 - Creation of social value through the MIRAIT ONE Partner Association
 - Enhancement of the audit system and strengthening of audit functions through the three lines of defense
 - Strengthening of corporate governance through a new Group management system

(3) Objective indicators for measuring the attainment status of management goals

The Group has adopted, as objective indicators used to determine the attainment status of management goals called Key Performance Indicators (KPIs) of the fifth Medium-term Management Plan, Sales, Ratio of MIRAI Domain (*1), OPM (Operating Profit Margin), EBITDA Margin (*2), ROE (Return on Equity), and EPS (Earnings per Share), and specified, as goals in FY2026, Sales of at least 720 billion yen, Ratio of MIRAI Domain of at least 45%, OPM of at least 6.5%, EBITDA Margin of at least 8.5%, ROE of at least 10%, and EPS-CAGR of at least 10%.

Our non-financial targets are as described in "II. Overview of Business, 2. Sustainability Approach and Initiatives."

(*1) Ratio of sales of MIRAI Domain (areas aiming at business growth) in Total Sales.

(*2) EBITDA: Operating profit + Depreciation + Amortization

The reason these KPIs have been adopted is because of the recognition that they are important indicators for all stakeholders, including shareholders, to understand the Group's management policies and management strategies, in addition to enabling the evaluation of their progress and feasibility.

Operating profit, ROE, and GHG emissions, a non-financial target, have also been adopted as indicators for the calculation of points granted in the Board Benefit Trust, performance-linked stock-based remuneration system, the Group has implemented to raise awareness of the contributions to performance of Group companies and enhancement of corporate value.

Note: The figures for these KPIs are based on reasonable judgments according to circumstances, etc., that can be forecast as of the filing date of this report, and do not constitute a guarantee of their achievement.

(4) Priority business and financial issues to be addressed

As described in "(2) Business environment and medium- to long-term management strategies," the Group needs to promote business operations responsive to changes in the business environment. To this end, while promoting our growth strategy for human resources that underpins our business growth, we are seeking to drive top-line growth and increase productivity. We are also focusing on streamlining the communication infrastructure domain, mainly through value chain reforms, and on expanding the growth areas of MIRAI Domain. They include urban and regional development, corporate DX and GX, green energy business, software business, and global business.

In FY2025, we aim to achieve the fifth Medium-term Management Plan ending in FY2026 through the following ongoing efforts: expanding data center-related business, expanding green energy business that mainly covers solar power generation, power purchase agreements (PPAs), and battery storage, further seizing business synergies gained from the trinity formed through strengthened collaboration among Kokusai Kogyo, SEIBU CONSTRUCTION, and the MIRAIT ONE Group, and strengthening business risk management that supports our challenge of expanding business.

2. Sustainability Approach and Initiatives

The Group's approach to sustainability and its initiatives are as follows.

Forward-looking statements contained herein are based on the Group's judgment as at the end of the fiscal year ended March 31, 2025.

(1) Governance and risk management of sustainability in general

We have the ESG Management Promotion Committee, chaired by the President and CEO, which meets at least four times a year.

At the Committee meetings, management reviews and discusses KPIs and initiatives aimed at helping solve issues concerning climate change, biodiversity, nature-related matters, and various stakeholders. The Committee formulates basic policies and strategies on ESG management in general, identifies material issues, and responds to various environmental initiatives. The Committee also reports these activities to the Group Executive Committee and the Board of Directors.

Under the ESG Management Promotion Committee, the Risk Management Executive Committee, the Compliance Executive Committee, and the Human Rights and D&I (Diversity and Inclusion) Committee, each chaired by the Compliance Officer, are administered.

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

a. Structure as of June 23, 2025 (the filing date of this Annual Securities Report)

ESG Management promotion structure

ESG Management promotion structure



b. Planned structure on or after June 25, 2025 (the date of the Ordinary General Meeting of Shareholders)

ESG Management promotion structure

ESG Management promotion structure



(2) Identification of materiality themes

To realize sustainable growth and corporate value enhancement over the medium- to long-term, it is necessary to capture abundant business opportunities such as the accelerated global efforts toward a decarbonized society, while looking ahead various risks related to human capital and climate change and taking measures against them. In our approach to addressing the materiality themes identified based on the recognition of these opportunities and risks, we have clarified the social problems that the Group should focus on and have identified the opportunities and risks associated with each of the materiality themes. We are pursuing them as key initiatives of the Medium-term Management Plan.

In identifying the materiality themes, the ESG Management Promotion Committee held discussions based on customer and employee surveys, stakeholder opinions, key social issues extracted from international guidelines on social responsibility, and expectations placed on the Group. The materiality themes were then deliberated by the Executive Committee and the Board of Directors before being finalized.

Important societal issues to be addressed (Materiality)

E

Creating and preserving an environmentally-friendly society

- Realize a carbon-free society through business activities
- Contribute to the creation of environmentally-friendly and resilient communities



S

Creating and preserving a safe, secure and prosperous society

- Improve safety and quality
- Create social values through partnerships and collaboration



S

Creating and preserving a society that respects and promotes the diversity of people and cultures

- Promote development of human resources, workstyle reform and health management
- Promote respect for human rights and D&I



G

Creating and preserving a fair and transparent corporate group

- Enhance corporate governance
- Thorough compliance
- Thorough risk management



Process for identifying materiality themes

■ Step 1: Extraction and categorization of social issues

Comprehensively extract issues to be considered by referring to GRI standards, ISO 26000, and other representative international guidelines on social responsibility of organizations, SDGs, evaluation items of ESG evaluation organizations, etc.

■ Step 2: Prioritization

Evaluate and prioritize the extracted issues in terms of whether the Group should contribute to solving the issues and whether this will lead to value creation from the perspective of the stakeholders' expectations and the MIRAIT ONE Group's Purpose and Mission.

The ESG Management Promotion Committee discusses and selects priority material issues to be addressed by the Group.

■ Step 3: Validation and identification

Confirm the appropriateness of the material issues selected in terms of their alignment with the Group's management issues.

The ESG Management Promotion Committee discusses risks to current business and opportunities for the future, and identifies them as material issues through deliberations by the Executive Committee and the Board of Directors. The Committee determines initiatives and targets for the identified materiality themes in consultation with the relevant departments.

■ Step 4: Review

Evaluate activities for the materiality themes based on the targets and achievements, and disclose the results in the Integrated Report.

Perform reviews based on surveys of internal and external stakeholders, opinions from external experts, SDGs and other international goals and guidelines, and evaluations by ESG evaluation organizations. The results are used to revise materiality themes and targets, incorporate them in the business operations, and improve the disclosures.

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.

(3) Material sustainability items

The material sustainability items in the Group, which were identified through governance and risk management as described above, are 1) initiatives on climate change and 2) initiatives related to human capital.

1) Initiatives on climate change

■ Governance

In FY2021, after the establishment of the ESG Management Promotion Committee (see the ESG Management promotion structure) in September, the Committee adopted the materiality theme, “Building and maintaining an environmentally friendly society,” following deliberations by the Executive Committee and the Board of Directors. To step up its contribution to realizing a decarbonized society, the Group set the “GHG emissions reduction target (FY2030)” as one of the KPIs in its Medium-term Management Plan and established a system to monitor its progress.

The GHG emission reduction targets for 2030 were approved as Science-Based Targets (SBT) in February 2023.

In FY2024, the Committee was held six times, discussed the specific status and measures of GHG emissions reduction of the entire Group, responded to evaluations from various ESG rating agencies, analyzed the results, formulated strategies, and promoted various initiatives.

■ Risk management

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

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

■ Strategy

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

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

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

Envisioned scenario	Identified risks			Opportunity examination			Initiatives
		Type	Description		Type	Description	Description
Tighter carbon emission regulations	Medium- and long-term	Policy/regulation	<ul style="list-style-type: none"> • Increase in material and fuel procurement costs due to carbon taxation • Increased business burden due to insufficient compliance with regulations such as carbon pricing • Risk of cost increase due to the purchase of credits for emissions in case of failure to achieve reduction targets 	Medium- and long-term	Product/service/energy	<ul style="list-style-type: none"> • Increase in demand for renewable energy and energy-saving projects (solar power generation, EV charging, LED lighting, etc.) 	<ul style="list-style-type: none"> • Promotion of power-saving through DX and work style reforms • Improvement in fuel efficiency through the use of fuel additives for vehicles, and promotion of EV adoption
	Short-, medium- and long-term	Policy/regulation	<ul style="list-style-type: none"> • Increase in electricity costs due to a shift to renewable energy sources 	Short-, medium- and long-term	Product/service/energy	<ul style="list-style-type: none"> • Increase in demand for shift to energy-saving equipment • Promotion of the efficient electricity use with the use of IoT 	<ul style="list-style-type: none"> • Sourcing electricity from renewable energy
Increasing awareness toward decarbonization	Short-term	Market/reputation	<ul style="list-style-type: none"> • When environmental measures turn out to be inadequate - Decrease in orders for new construction projects - Termination of existing maintenance contracts - Loss of customers due to higher reputation risks 	Short-, medium- and long-term	Market	<ul style="list-style-type: none"> • Increase in demand for renovation work • Increase in demand for ZEB and smart city-related projects 	<ul style="list-style-type: none"> • Identifying and promoting the procurement of low-carbon products • Proper disclosure of information to stakeholders

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

Envisioned scenario	Identified risks			Opportunity examination			Initiatives
		Type	Description		Type	Description	Description
Increase in the frequency and severity of natural disasters	Short-, medium- and long-term	Acute	<ul style="list-style-type: none"> • Damage to telecommunication equipment and base stations caused by heavy rains and typhoons, and an increase in restoration costs 	Short-, medium- and long-term	Market/resilience	<ul style="list-style-type: none"> • Increase in demand for pole-free electricity to deal with abnormal weather conditions 	<ul style="list-style-type: none"> • Increase in demand for facility enhancements such as battery storage systems and emergency power supply • Development of multi-skilled human resources • Enhancement of collaboration with MIRAIT ONE Partner Association
	Short-, medium- and long-term	Acute	<ul style="list-style-type: none"> • Discontinuation of products and services due to disruption of the value chain 	Medium- and long-term	Market	<ul style="list-style-type: none"> • Growing demand for disaster prevention and mitigation work for telecommunication equipment and base stations due to the increase in the frequency and severity of natural disasters 	<ul style="list-style-type: none"> • Water supply solution business
Rise in average temperatures	Long-term	Chronic	<ul style="list-style-type: none"> • Increase in air conditioning costs incurred by data centers, etc. 	Long-term	Market	<ul style="list-style-type: none"> • Replacement of air conditioning equipment with high-efficiency equipment • Improvement of the operation of HVAC equipment 	<ul style="list-style-type: none"> • Strengthening of air conditioning business
	Medium- and long-term	Chronic	<ul style="list-style-type: none"> • Increase in heat stroke and other health hazards among construction workers of telecommunications facilities 	Medium- and long-term	Resilience	<ul style="list-style-type: none"> • Further promotion of DX and remote working style 	<ul style="list-style-type: none"> • Streamlining construction through DX and strengthening worker health management

We also revised the remuneration system for board members to raise the awareness of management on ESG initiatives. In FY2022, a non-financial target of GHG emissions was introduced as a new indicator in addition to the conventional indicators for performance-linked compensation: consolidated operating profit and consolidated ROE.

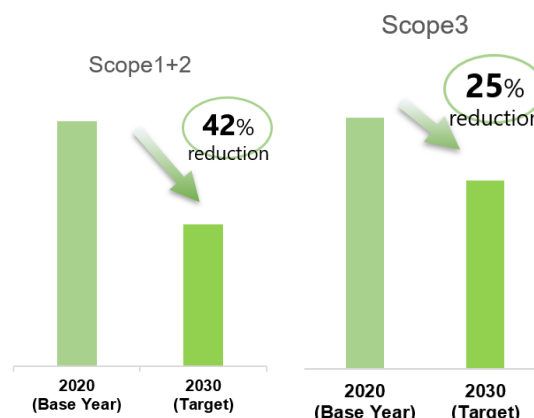
■ Target

In FY2021, we have set the GHG emission reduction targets for the Group (excluding Kokusai Kogyo) toward FY2030. The targets were certified by the SBTi (Science-Based Targets initiative) in February 2023 as a science-based target. These are also included as non-financial targets in our Medium-term Management Plan, in order to steadily capture growth opportunities for our business in relation to decarbonization.

Kokusai Kogyo set its reduction targets in September 2021, before joining the Group, which were certified as SBT. In March 2025, the company set a new net-zero long-term target, which was certified as SBT. At the same time, the company reviewed its near-term targets and revised them to more aggressive targets, which were certified as SBT.

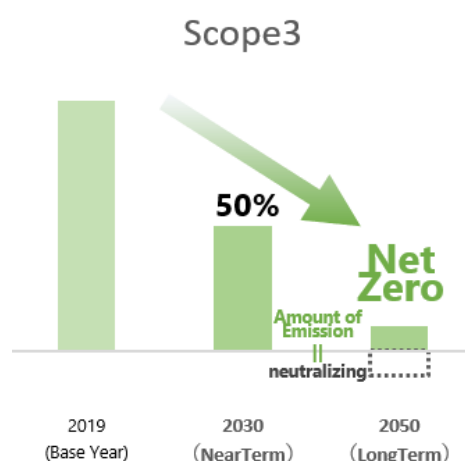
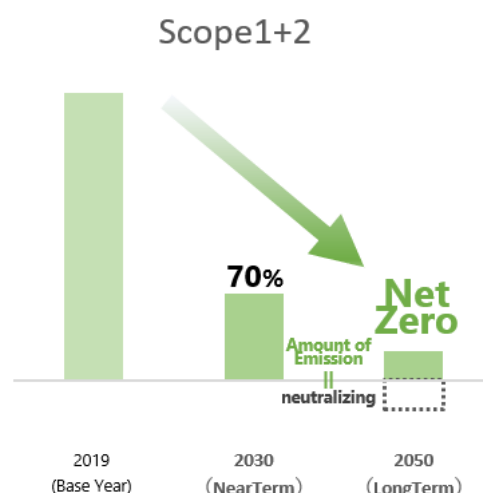
The MIRAIT ONE Group (excl. Kokusai Kogyo)

Target		SBT
Scope 1+2	Reduce the Group's GHG emissions by 42% from the FY2020 (base year) level by FY2030.	Certified in February 2023
Scope 3	Reduce the Group's GHG emissions by 25% from the FY2020 (base year) level by FY2030.	Certified in February 2023



Kokusai Kogyo

Target		SBT
Achieve net-zero GHG emissions across the value chain by FY2050		Certified in March 2025
Near-term target		SBT
Scope 1+2	Reduce absolute Scope 1 and 2 GHG emissions by 70% from the base year (FY2019) level by FY2030.	Recertified in March 2025
Scope 3	Reduce absolute Scope 3 GHG emissions by 50% from the base year (FY2019) level by FY2030 from the following categories: C3. Fuel- and energy-related activities, C6. Business travel, C7. Employee commuting, and C11. Use of sold products. Supplier engagement target: Commit that 65% of its suppliers set science-based targets by FY2026 by emissions from the following categories: C1. Purchased goods and services, and C2. Capital goods.	Recertified in March 2025
Long-term target		SBT
Scope 1+2	Reduce absolute Scope 1 and 2 GHG emissions by 90% from the base year (FY2019) level by FY2050.	Certified in March 2025
Scope 3	Reduce absolute Scope 3 GHG emissions by 90% from the base year (FY2019) level by FY2050.	Certified in March 2025



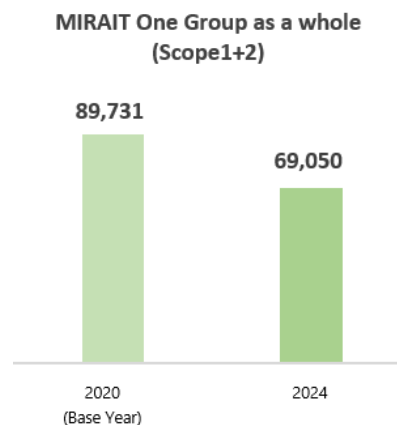
■ Actual results

The results of Scope 1+2 GHG emissions for the entire Group in FY2020 and FY2024 are as follows. For these emissions results, we have received an independent assurance statement from Sustainability Accounting Co., Ltd.

The results of Scope 3 GHG emissions in FY2024 are in the process of calculation, and will be disclosed on the Company's website "Information disclosure based on TCFD recommendations" (<https://www.mirait-one.com/english/esg/environment/>) around September 2025.

Group-wide Scope 1+2 emissions (t-CO ₂)	
FY2020	89,731
FY2024	69,050

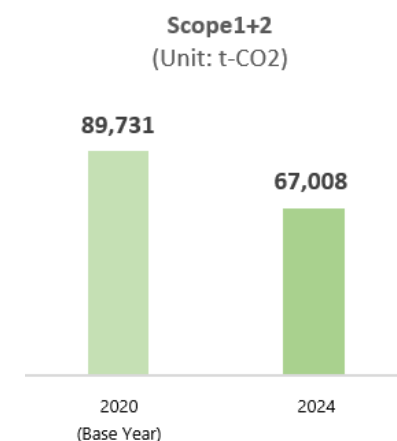
* The result of GHG emissions for the Group in FY2024 includes the FY2024 result for Kokusai Kogyo.



Breakdown

The MIRAIT ONE Group (excl. Kokusai Kogyo)

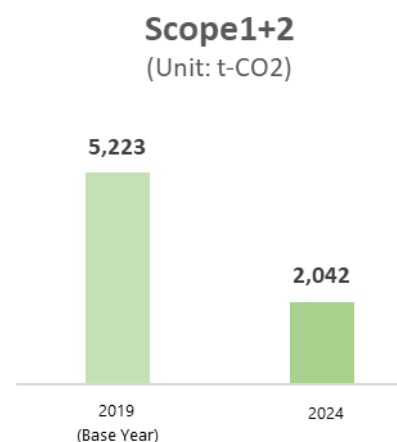
Category		Emissions (t-CO ₂)	
		FY2020 (Base year)	FY2024
Scope 1	Direct emissions	66,890	58,073
Scope 2	Indirect emissions	22,841	8,935



Kokusai Kogyo

Category		Emissions (t-CO ₂)	
		FY2019 (Base year)	FY2024
Scope 1	Direct emissions	1,456	1,189
Scope 2	Indirect emissions	3,767	853

* Since the SBT near-term targets were recertified and the SBT long-term targets were certified in March 2025, the targets in the table above have been changed from the previous targets, including the scope of coverage.



2) Initiatives related to human capital

Human resources development policy

Of the five business transformations (5 *Changes*) under the new business strategy, the Group focuses on Change 1 “People-centric management,” thus expanding its investment in human capital, the source of value creation.

In particular, with a view to Change 2 “Acceleration of business growth,” we will roll out “strategic human resource development” through reskilling and other means on the platform of MIRAI College to “accelerate business shift to growth areas” and “promote DX reform of existing businesses” as business growth strategies, and facilitate mobility of human resources to growth areas. In addition, through a dialogue-based process that matches macro CDP (business strategy) with micro CDP (each employee), which is conducted annually with approximately 2,400 employees and their supervisors, we have been promoting the policy of helping employees grow so that they can take on the challenges of new business fields with a sense of security and excitement.

To support human resources development, we promote MIRAIT ONE-style smart work/lifestyle reforms, allowing employees to spend more time on reskilling. At the same time, we press ahead with diversity & inclusion measures to promote working styles allowing participation by diverse employees.

Policy on developing internal environment

As part of efforts to improve the internal environment based on Change 1 “People-centric management,” we promote the MIRAIT ONE-style smart work/lifestyle reforms, expand and enhance the “MIRAI College” that we opened as a means of reskilling in July 2022: (expansion of areas: accelerated expansion to partner companies, expansion of courses in line with the business strategy, enhancement of strategic learning, development to support the creation of growth areas (MIRAI Domain), enhancement of real campuses’ facilities, etc.). In addition, we prepare new HR systems such as a job-based system and an in-house side-job system, strategic secondment to other companies, and a global trainee system. We have formulated and carried out our policy to prepare an internal environment that implements programs from “self-directed learning” to “strategic learning.”

Initiatives for human resource development

■ Emphasis on human resource training to transform the future

For the initiatives related to human capital, we formulated and carried out the Human Resources Version: MIRAIT ONE-Style Value Creation Model in June 2024, as a value creation story that links our management strategy and the human resource growth strategy. Specifically, we have divided our measures into four major categories: 1) creation of human resources for growth fields, 2) recruitment and development of competitive human resources, 3) empowerment of diverse human resources and creation of a diverse and flexible work environment, and 4) promotion of health and productivity management. In addition, we aim to realize the MIRAIT ONE Group Vision 2030 and the Medium-term Management Plan by setting “creation of human resources (over 1,000 persons) in growth areas (FY2026 target)” and “improvement of engagement or engagement survey score of at least 52 (FY2026 target)” as representative indicators (KPIs) starting in FY2024.

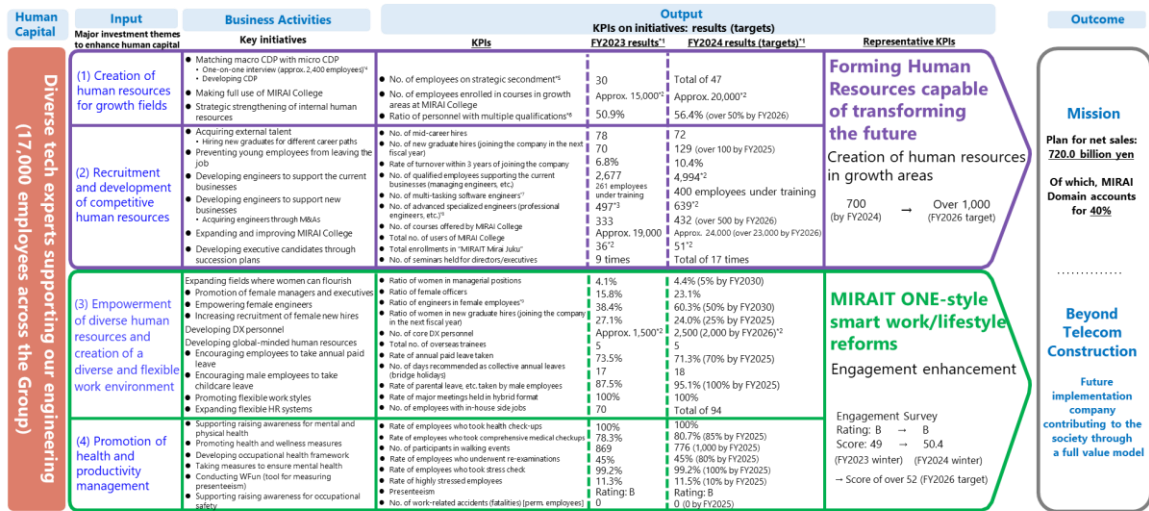
Human Resources Version: MIRAIT ONE-Style Value Creation Model

Human Resources Version: MIRAIT ONE-Style Value Creation Model (Overview of 2025 Version)

June 17, 2025
General Affairs and Human Resources Division,
MIRAIT ONE Corporation

Building and maintaining a culture where people respect the diversity of human resources and learn from each other

Under the MIRAIT ONE Group Vision 2030, the Group is working on business transformation for the purpose “we will change, and the future will change.” Recognizing that human capital is the essential asset and the core driver of the transformation, we have set people-centric management as our top priority. With this in mind, we formulate and promote various measures to attract and develop human resources and to improve the environment that will help us achieve our vision, thereby pursuing initiatives to ensure the Group’s sustained growth.



Note: Boundaries of disclosure and brief descriptions of our major KPIs are as per notes marked with asterisks.

- (*1) Disclosure range: MIRAIT ONE Corporation (non-consolidated), except for items marked *2, *3, and *4
 Note 1: For KPIs without a target in parentheses, the disclosure of target setting will be considered an issue.
 Note 2: For consolidated subsidiaries outside the disclosure range, management of related KPIs and disclosure of target setting will be considered issues; accordingly, KPIs on a consolidated basis are not presented.
- (*2) Disclosure range: MIRAIT ONE Group
 Note 1: For KPIs without a target in parentheses, the disclosure of target setting will be considered an issue.
- (*3) Disclosure range: MIRAIT ONE Corporation (non-consolidated) and Kokusai Kogyo Co., Ltd. (non-consolidated)
 Note 1: For KPIs without a target in parentheses, the disclosure of target setting will be considered an issue.
 Note 2: For consolidated subsidiaries outside the disclosure range, management of related KPIs and disclosure of target setting will be considered issues; accordingly, KPIs on a consolidated basis are not presented.
- (*4) Description of KPI: Number of personnel development interviews conducted for micro CDP (each employee)
- (*5) Description of KPI: Number of employees who have worked or experienced growth areas outside of the Company on secondment or other contractual basis
- (*6) Description of KPI: Number of employees with certifications in two or more fields
- (*7) Description of KPI: Of those, 253 employees completed both the Basic Course and Practical Training in Specialized Courses (Installation, Field, and Performance) in FY2024.
- (*8) Description of KPI: Professional Engineer, First-Class Certified Architect, First-Class Chief Electricity Engineer, etc.
- (*9) Description of KPI: Percentage of engineers in all female employees

In particular, business structure reform is essential to strengthen and expand the MIRAI Domain (urban and regional development, corporate DX and GX business, green power business, software business, and global business) and the full-value model, which are positioned as future growth areas in Change 2 “Acceleration of business growth.” We have been building on the strategic strengthening of internal human resources and active recruitment of external human resources to create a human resource group capable of carrying out such reforms.

For the strategic strengthening of internal human resources, we have been encouraging individual employee to gain multiple skills, involving fixed-line telecommunications, mobile, cloud, electricity, renewable energy, plan suggestion and project management, and strengthening diverse skills including data insight utilization skills and DX skills.

For the active recruitment of external human resources, we have introduced new HR systems such as a job-based system and acquired human resources through M&A and other means to expand mid-career hiring to strengthen growth areas such as the MIRAI Domain and the full-value model.

■ Excerpt 1) Human Resources Version: MIRAIT ONE-Style Value Creation Model (From input to output)

Input	Business Activities	Output			
Major investment themes to enhance human capital	Key initiatives	KPIs	KPIs on initiatives: results (targets)	Representative KPIs	
			FY2023 results ¹⁾	FY2024 results (targets) ¹⁾	
(1) Creation of human resources for growth fields	<ul style="list-style-type: none">Matching macro CDP with micro CDP<ul style="list-style-type: none">One-on-one interview (approx. 2,400 employees)*Developing CDPMaking full use of MIRAI CollegeStrategic strengthening of internal human resources	<ul style="list-style-type: none">No. of employees on strategic secondment¹⁾No. of employees enrolled in courses in growth areas at MIRAI CollegeRatio of personnel with multiple qualifications¹⁾	<ul style="list-style-type: none">30Approx. 15,000²⁾50.9%	<ul style="list-style-type: none">Total of 47Approx. 20,000²⁾56.4% (over 50% by FY2026)	Forming Human Resources capable of transforming the future Creation of human resources in growth areas 700 (by FY2024) → Over 1,000 (FY2026 target)
(2) Recruitment and development of competitive human resources	<ul style="list-style-type: none">Acquiring external talent<ul style="list-style-type: none">Hiring new graduates for different career pathsPreventing young employees from leaving the jobDeveloping engineers to support the current businessesDeveloping engineers to support new businesses<ul style="list-style-type: none">Acquiring engineers through MBAsExpanding and improving MIRAI CollegeDeveloping executive candidates through succession plans	<ul style="list-style-type: none">No. of mid-career hiresNo. of new graduate hires (joining the company in the next fiscal year)Rate of turnover within 3 years of joining the companyNo. of qualified employees supporting the current businesses (managing engineers, etc.)¹⁾No. of multi-tasking software engineers¹⁾No. of advanced specialized engineers (professional engineers, etc.)¹⁾No. of courses offered by MIRAI CollegeTotal no. of users of MIRAI CollegeTotal enrollments in "MIRAIT One+ Juku"No. of seminars held for directors/executives	<ul style="list-style-type: none">78706.8%2,677261 employees under training497³⁾333Approx. 19,00036²⁾9 times	<ul style="list-style-type: none">72129 (over 100 by FY2025)10.4%4,994²⁾400 employees under training639²⁾432 (over 500 by FY2026)Approx. 24,000 (over 23,000 by FY2026)51²⁾Total of 17 times	

Note: Boundaries of disclosure and brief descriptions of our major KPIs are as per notes marked with asterisks.

June 17, 2025
General Affairs and Human Resources Division,
MIRAIT ONE Corporation

■ Excerpt 2) Human Resources Version: MIRAIT ONE-Style Value Creation Model (From input to output)

Input	Business Activities	Output			
Major investment themes to enhance human capital	Key initiatives	KPIs	KPIs on initiatives: results (targets) FY2023 results ¹⁾ FY2024 results (targets) ¹⁾	Representative KPIs	
(3) Empowerment of diverse human resources and creation of a diverse and flexible work environment	<ul style="list-style-type: none">Expanding fields where women can flourish<ul style="list-style-type: none">Promotion of female managers and executivesEmpowering female engineersIncreasing recruitment of female new hiresDeveloping DX personnelDeveloping global-minded human resources<ul style="list-style-type: none">Encouraging employees to take annual paid leaveEncouraging male employees to take childcare leavePromoting flexible work stylesExpanding flexible HR systems	<ul style="list-style-type: none">Ratio of women in managerial positionsRatio of female officersRatio of engineers in female employees¹⁾Ratio of women in new graduate hires (joining the company in the next fiscal year)No. of core DX personnelTotal no. of overseas traineesRate of annual paid leave takenNo. of days recommended as collective annual leaves (bridge holidays)Rate of parental leave, etc. taken by male employeesRate of major meetings held in hybrid formatNo. of employees with in-house side jobs	<ul style="list-style-type: none">4.1%15.8%38.4%27.1%Approx. 1,500²⁾573.5%1787.5%100%70	<ul style="list-style-type: none">4.4% (5% by FY2030)23.1%60.3% (50% by FY2030)24.0% (25% by FY2025)2,500 (2,000 by FY2026)²⁾571.3% (70% by FY2025)95.1% (100% by FY2025)100%Total of 94	MIRAIT ONE-style smart work/lifestyle reforms Engagement enhancement Engagement Survey Rating: B → B Score: 49 → 50.4 (FY2023 winter) (FY2024 winter) → Score of over 52 (FY2026 target)
	(4) Promotion of health and productivity management	<ul style="list-style-type: none">Supporting raising awareness for mental and physical healthPromoting health and wellness measuresDeveloping occupational health frameworkTaking measures to ensure mental healthConducting WFun (tool for measuring presentism)Supporting raising awareness for occupational safety	<ul style="list-style-type: none">Rate of employees who took health check-upsRate of employees who took comprehensive medical checkupsNo. of participants in walking eventsRate of employees who underwent re-examinationsRate of employees who took stress checkRate of highly stressed employeesPresentismNo. of work-related accidents (fatalities) (perm. employees)	<ul style="list-style-type: none">100%78.3%86945%99.2%11.3%Rating: B0	

Note: Boundaries of disclosure and brief descriptions of our major KPIs are as per notes marked with asterisks.

■ Human resource development by utilizing the in-house university MIRAI College

Our in-house university, MIRAI College, which opened in July 2022, consists of real campuses (Chiba, Saitama, and Hyogo) and digital campuses. The college offers 432 courses in the three fields of Technical Faculty (technical skills), Management Faculty (management skills), and Social Faculty (social skills) as of the end of FY2024 (March 31, 2025). The enrollment has exceeded 20,000 users (a cumulative total of 24,000 users), including employees from the Group and partner companies. The college offers learning management and support through its Learning Management System (LMS) to ensure that each individual acquires the skills. Recorded videos of past seminars and study sessions are also made available so that employees who were unable to attend in person can benefit from the content. By incorporating the use of the college into our human resource development plan, we provide an environment for encouraging self-directed learning to strategic learning.

■ Personnel training system

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

From introductory training for workers who have just joined the company to training for senior managers, our program is designed to enable each employee to acquire the skills and knowledge required to fulfill the roles expected at the respective level, as well as the skills and knowledge they need to learn in each career stage. In particular, we offer extensive education and training programs for new employees, designed to enable them to succeed in their careers regardless of whether they have a scientific or liberal arts background. Our interview program, a process designed to match macro CDP (business strategy) with micro CDP (each employee) through dialogues, encourages employees to take on the challenge of obtaining various certifications. In addition, we have established a reward system based on the degree of difficulty to meet the growth aspirations of individual employees and promote the shift of human resources to growth areas.

■ Mentoring program

We have a mentoring program in place for new employees. Under this program, a senior employee is appointed as the mentor for each new employee, in addition to their supervisor in the assigned section, to provide guidance and counseling. The program is designed to encourage new employees (mentees) to grow spontaneously and autonomously through awareness and advice based on dialogue. The feedback on regular reporting and monthly interviews in this program supports the growth of new employees as well as that of senior employees who serve as mentors. In FY2024, we had 409 interviews.

■ “MIRAIT Mirai Juku” as part of our succession plan to nurture management minds of the next generation

In July 2020, we established the “MIRAIT Mirai Juku” to systematically train the next generation of management executives. In this “MIRAIT Mirai Juku,” the participants will broaden their perspectives on corporate management through workshop and discussion-based training programs, and enhance their abilities to respond appropriately as management through examination of specific solutions to the company’s management issues. In addition, the discussions and examination within and among training teams also help to cultivate a mentality of assuming responsibility for the future management of MIRAIT ONE. Starting from FY2023, employees of major Group companies also participate in the program. A total of 51 participants have graduated until FY2024.

■ Training programs at overseas operations

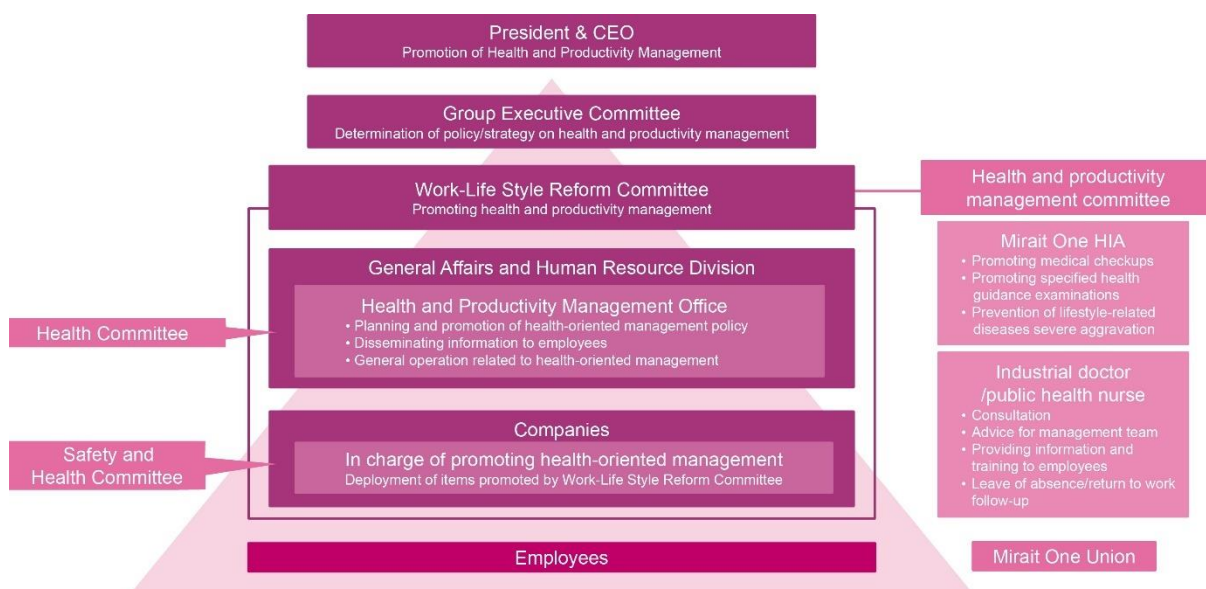
The Group conducts various training programs for employees hired at its overseas locations. For instance, the Lantrovision Group assigns full-time staff in charge of human resource development and training. The group provides a wide range of programs from basic training on on-site cable design, construction, testing, etc., to practical training involving bidding, quoting, and contracts to raise employees’ skills and motivation.

In addition, the group encourages its employees to obtain cable vendor certifications to strengthen quality control, enhance customer satisfaction, and bolster business competitiveness.

Promotion of health and productivity management and work style reforms

■ Promotion of health and productivity management under the leadership of top management

The Group emphasizes the promotion of health and productivity management as one of the material issues, by the positioning of health and productivity management as a fundamental element in Change 1 “People-centric management” in its Medium-term Management Plan. In July 2022, the Group issued the “MIRAIT ONE Group’s Health and Productivity Management Declaration” to further enhance the effectiveness of these efforts. We will pursue health and productivity management under the leadership of the President and CEO.



■ Support of health management

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

■ Subsidies for comprehensive medical examinations

In addition to subsidies from the Health Insurance Association, employees also receive subsidies from the company, which are useful for improving their health management.

■ Regular distribution of Health News and Mimamori (Watching over) Mail

Health News is published approximately every month to provide information on health-related topics, etc. Health information relevant to the occasions is shared and utilized within the Group. Mimamori Mail is health information sent to field workers on their mobile phones, designed to be easily understood at a glance.

■ Mental health

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

■ Support for returning to work for employees on sick leave due to mental health issues

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

■ Development of a comfortable working environment

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

■ Promotion of MIRAIT ONE-style smart work/lifestyle reforms

The Group has established the MIRAIT ONE Smart Work/Life Declaration to ensure sustainable growth while responding to the changes in the labor market and business environment that have occurred in recent years. Based on the declaration, we have been promoting work/lifestyle reforms consistently and comprehensively, encompassing 1) promotion of work styles not restricted by time and place to accommodate diverse lifestyles, 2) development of systems for reskilling, 3) acquisition of external talent and securing of diverse human resources, and 4) promotion of health and productivity management.

■ Recognized as a 2025 Certified Outstanding Organization of KENKO Investment for Health (Large Enterprise Category)

In March 2025, the Company was recognized as a 2025 Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category).

The Certified Outstanding Organization of KENKO Investment for Health recognition program is a part of the measures taken by the Ministry of Economy, Trade and Industry to develop an environment in which certified corporations are able to gain enhanced recognition. The program allows corporations that strategically carry out efforts with regard to their employees' health from a management perspective to receive social recognition, and awards those that practice particularly outstanding health and productivity management.

Respect for human rights and promotion of diversity and inclusion

■ Respect for human rights

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

■ MIRAIT ONE Group established a Basic Policy on Human Rights

Based on the concept described above, the Group has emphasized "Respect for Human Rights and Promotion of Diversity and Inclusion" as one of its material themes. In July 2022, the Group established the "MIRAIT ONE Group Basic Policy on Human Rights" as its top policy on human rights to send out a strong message of its commitment to the respect for human rights and clearly identify its awareness within the Group. The Group is dedicated to promoting actions on the respect for human rights in all its corporate activities in collaboration with various stakeholders. Based on this policy, all employees of the Group will act with an awareness of respect for human rights as the foundation of all its business activities, as we aim to build a company that is widely trusted by all members of society and contributes to the realization of a sustainable society.

■ Promotion system

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

■ Examples of actions taken

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

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

Furthermore, through the efforts to establish the human rights due diligence processes, we are working to identify human rights issues in the Group, assess risks, and develop measures to mitigate the risks.

■ Labor-management relations

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

■ To create an attractive corporate culture with a diverse and dynamic workforce

The Group respects individual personality and seeks to build workplaces where its employees perform to their full potential, regardless of age, gender, educational background, nationality, disability, sexual orientation, gender identity, etc.

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

Diversity & Inclusion, one of the Group's materiality themes, is positioned as a key initiative. Our mission, which defines our approach to individual stakeholders, declares our commitment to creating an attractive corporate culture with a diverse and dynamic workforce.

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

To further advance this series of diversity and inclusion initiatives, we have formulated the Diversity & Inclusion Declaration in December 2022. We will move forward with diversity and inclusion, with an eye toward creating a corporate culture that respects individuality and leverages it as the strength of the organization.

■ Empowering female employees

We devise action plans for the purpose of enabling female employees to reach their full potential and pursue their careers in a wide range of arenas. In addition, we have set specific numerical targets for the ratio of women in new graduate hires and in managerial positions, and have been working to achieve the targets. It is difficult to present these figures on a consolidated group basis because not all companies in the consolidated group have set numerical targets.

For this reason, the targets and actual figures below are for the Company on a non-consolidated basis.

■ Targets and actual figures (empowering female employees)

Indicators	Targets	Actual figures
Number of women in managerial positions	Increase by 20% by March 2026 (from the July 2022 level)	68 persons (+21.4%) (as of March 31, 2025)
Ratio of women in new graduate hires	25% by March 2026	24.0% (new hires of April 2025)
Rate of annual paid leave taken	70% by March 2026	71.3% (as of March 31, 2025)

* The actual figures for the ratio of women in managerial positions are disclosed in “I. Overview of the Company, 5.

Employees, (4) Ratio of women in managerial positions, rate of parental leave taken by male employees, and gender wage gap.”

■ Support system for balancing career with childcare and nursing care

We actively promote work-life balance by developing a working environment that enables employees to balance childcare and nursing care responsibilities with their professional careers. Specifically, we have instituted programs that employees can use during important life events such as childbirth, childcare, and nursing care beyond the standards stipulated by law, so that employees can continue working with a sense of security for a long time. They include the parental leave, which is available until the child reaches three years of age, and a shorter working hour arrangement that can be used until the child completes the third year of elementary school.

As of the end of FY2024, the childcare leave uptake among female employees is 116.7% with the childcare leave uptake among male employees at 95.1%. We have promoted efforts to maintain the uptake of childcare leave and raise it even further. Also, we implement support measures to ensure employees on childcare leave can return to work smoothly and play an active role in the Company. The measures include providing information on developments in the Company during their absence and conducting interviews prior to their return.

■ Support for elderly employees

In response to the declining birthrate and aging population in Japan, we have created an environment where willing senior workers can continue to play active roles. This was done by establishing a reemployment system after retirement to support the active participation of senior human resources who hold qualifications in advanced technologies required for the telecommunications construction industry.

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

Status of reemployment after retirement (as of the end of FY2024)

Number of employees subject to mandatory retirement	174 persons
Number of rehired employees	148 persons
Reemployment rate	85.1%

* Average of seven companies: MIRAIT ONE Corporation, TTK Co., Ltd., SOLCOM Co., Ltd., Shikokutsuken Co., Ltd., SEIBU CONSTRUCTION Co., LTD., MIRAIT ONE SYSTEMS Corporation, and Kokusai Kogyo Co., Ltd.

3. Business Risks

Of the matters related to Overview of Business and Financial Information stated in this Annual Securities Report, the items listed below may have a material impact on decisions by investors.

The likelihood and timing that such risks may materialize and the degree of impact they may have on the operating results of the Group are not stated as it is difficult to reasonably foresee them.

Forward-looking statements contained herein are based on the Company's judgment as at the end of the fiscal year ended March 31, 2025.

1) Risks associated with excessive dependence on particular clients

The main clients of the Group are telecommunications carriers such as the NTT Group. Owing to the fact that they account for a large portion of net sales, their capital expenditures, technological breakthroughs, and other factors could affect the Group's business results.

Thus, the Group is expediting the transition of its business structure from the telecommunications carrier business to the solutions business and shifting to the MIRAI Domain, which is positioned as a new growth area, as well as creating new business opportunities beyond its traditional business domains and technologies.

2) Risks associated with initiatives in new domains

Unexpected and significant risks arising from challenges in new domains may affect the Group's business results.

Thus, the Group has established the Business Risk Management Office to ensure optimal risk management by thoroughly screening risks related to individual projects, smoothly facilitating risk management, and sharing case studies and know-how for managing risks.

3) Risks associated with safety and quality issues

In the event of serious accidents, quality issues, or other contingencies, there may be severe consequences that may result in the loss of clients' confidence and restrictions on the Group's operating activities, affecting its business results.

The Group is therefore wholly committed to ensuring safety and quality controls needed to deliver quality engineering and services that deserve customers' trust and appreciation, by leveraging the integrated safety and quality management system.

4) Risks associated with the management of critical information

The Group may access critical information, such as technical data and personal information provided by clients and business partners. In the event of unforeseen information leakage or malicious use of such information, the Group may suffer liability for damages and others with potential impact on its financial results. Such an event may also result in the loss of clients' and business partners' confidence, affecting the Group's business results.

The Group is therefore wholly committed to the prevention of leakage of classified information through the use of ISMS (information security management system).

5) Risks associated with uncertainties regarding clients' credit quality

If uncertainties arise regarding the credit quality of a client or a business partner, the Group may not be able to receive payments for construction work or may be forced to delay projects, which could affect the Group's business results.

The Group therefore adopts measures to avoid credit risks, such as the use of external credit agencies for client credit risk management, and contract document reviews by the legal section.

6) Risks associated with material procurement and price hikes

In the event of difficulty in the material supply or delays in delivery due to natural disasters, war, terrorism, or epidemics of novel infectious diseases, or in the event of rising construction costs due to soaring prices of raw materials, equipment and materials, and energy, or fluctuations in currency exchange rates, construction projects may be suspended or delayed. Furthermore, the Group's business performance may be affected if clients hold back on investments or postpone investment decisions.

The Group therefore meticulously manages the process to minimize the extension of the construction period by, for example, prioritizing the processes that are not experiencing shortages of supplies. In addition, measures are taken to mitigate the risk of rising construction costs by incorporating into contract clauses the terms and conditions for raw material price increases, and by passing the higher costs on to construction prices.

7) Risks associated with assets held by the Group

The Group holds assets, including securities, that are necessary for its business operations. Significant fluctuations in market prices thereof could affect the Group's business results.

The Group therefore adopts measures to avoid risks associated with fluctuations in the value of such assets, such as by assessing its securities holdings both quantitatively and qualitatively and gradually reducing those that have less significance for the Group's business.

8) Risks associated with natural disasters, etc.

The occurrence of contingencies such as severe natural disasters and the spread of epidemic diseases could cause direct damage to the Group's employees, subcontractors, and facilities, or cause outage of lifeline utility and fuel shortage. In such an event, construction may be halted and the contracted construction period may be delayed, which may affect the Group's business results.

The Group has adopted countermeasures against events such as natural disasters including earthquakes and the spread of epidemic diseases, including the formulation of a business continuity plan (BCP), establishment of a system to confirm the safety of employees, conducting of evacuation drills, and adopting of new workstyles.

9) Risks associated with overseas businesses

The Group operates businesses in countries outside of Japan, primarily in Asia and Oceania. Significant changes in the political and economic climate, currency exchange rate, and the legal and regulatory framework, or the spread of epidemic diseases, or rapid rises in material prices and labor costs in these countries may affect the Group's business results.

The Group is striving to prevent and mitigate such risks by gathering information within the Group and by appropriately diversifying the countries in which the Group operates.

10) Risks associated with climate change

As problems caused by global climate change are becoming more apparent, companies are required to give consideration to the environment, mainly by reducing greenhouse gas emissions and industrial waste. Such consideration is often required of not only individual companies but also all companies in the supply chain. If the Group companies and partner companies fail to take appropriate measures, our business with suppliers may be restricted, and the Group's business performance may be affected.

To respond to this, the Group clarified its commitment to "Building and maintaining an environmentally-friendly society" as its material issue. The Group also endorsed the Task Force on Climate-related Financial Disclosures (TCFD) recommendations to analyze risks and opportunities in the Group's business in line with its framework. Furthermore, we are working to identify greenhouse gas (GHG) emissions through our business activities and are committed to initiatives and other measures to reduce them and to further reduce industrial waste.

11) Risks associated with M&A

The Group strives to expand its business domains and transform business models through M&A, with which synergy effects are expected, with the aim of increasing the corporate value of the Group. However, if outcomes such as the profit growth and synergy effects expected from an M&A target company are not realized, the Group's business performance may be affected.

To avoid this, before conducting an M&A, the Group carefully examines whether the M&A is in line with the Group's growth strategy. We also consider the outlook for future market trends, business plans, and synergies with the Group. In the post-merger acquisition integration process, the Group identifies the items to be implemented and the timeframe for their achievement, strengthens monitoring, and works to maximize synergy effects.

12) Risks associated with legal compliance

The Group is authorized and licensed under laws and regulations, including the Construction Business Act, Telecommunications Business Act, and Radio Act, and conducts its business activities in accordance with relevant laws and regulations in business operations. In the event of a violation of any of these laws, the Group's business performance and credibility may be affected.

The Group therefore closely monitors legal revisions and other developments in the relevant internal departments and promptly shares such information within the Group, reviewing internal regulations as necessary. In addition, efforts are continuously made to ensure compliance with laws and regulations by conducting awareness-raising activities for employees of the Group and partner companies, and by establishing an effective internal audit and consultation system.

4. Management's Analysis of Financial Position, Operating Results and Cash Flows

The overview of the Group's financial position, operating results, and cash flows (hereinafter "operating results, etc.") for the fiscal year ended March 31, 2025, and views and issues analyzed/discussed with regard to the status of operating results, etc., from the management's perspective, are as follows.

Forward-looking statements contained herein are based on the Company's judgment as at the end of the fiscal year ended March 31, 2025.

(1) Operating results

During the fiscal year ended March 31, 2025, the Japanese economy continued its moderate recovery as the employment and income environment improved. On the other hand, the outlook remains uncertain due to the impact of rising prices, future policy trends in the U.S., such as with trade policy, the prolonged situations in Ukraine and the Middle East, and other issues.

The business environment surrounding the MIRAIT ONE Group (the "Group") has seen an increase in demand for cloud services and data centers due to the spread of digital transformation (DX) and AI, and in recent years, progress in disaster prevention, disaster mitigation, and national land resilience in the face of increasingly severe natural disasters, as well as progress in the government's regional infrastructure redevelopment strategy that addresses roads, water and sewage systems in a wide area as a group. Moreover, there is an expectation that the following will be attained: promotion of regional decarbonization, the use of renewable energy and hydrogen that fit well with regional characteristics and climates, and realization of green transformation (GX), toward achieving carbon neutrality in 2050.

Against this backdrop, the Group aims to evolve into a corporate group that continues to contribute more than ever before to the resolution of social issues across a wide range of social infrastructure areas under its Purpose and Mission redefined. The Group has formulated the MIRAIT ONE Group Vision 2030 as its business vision for 2030 and the fifth Medium-term Management Plan, covering the five-year period starting with FY2022. The Group has identified its growth areas, which are urban and regional development, corporate DX and GX, green energy business, software business, and global business, as the MIRAI (future) Domains that it will focus on in the future.

In FY2024, the Business Risk Management Office, newly established in April, has been regularly monitoring to prevent the recurrence of unprofitable projects through thorough risk checks on individual projects and optimal risk management in tackling challenges in new business areas. In addition, we have been fully engaged as a group in expanding our business in Japan and in carrying out full value type projects, in addition to the cabling business in Asia and the provision of self-managed services in response to the increased demand for data centers in Japan and overseas.

Furthermore, we accelerated the promotion of business synergies in the fields of Zero Carbon City Business and Public Utility Infrastructure Management Business through the trinity approach with SEIBU CONSTRUCTION Co., LTD. and Kokusai Kogyo Co., Ltd. Also, as our growth strategy for human resources, we continued to improve a flexible system for human resources that supports strategic personnel development and challenges while advancing MIRAIT ONE Smart Work/Life reforms.

In the Environmental and Social Innovation business, in addition to increases in renewable energy-related work, electrical and air conditioning work, civil engineering and water-related work, as well as construction and renovation work by SEIBU CONSTRUCTION Co., LTD., planning and consultation by Kokusai Kogyo Co., Ltd. also contributed to an increase in net sales, etc.

In the ICT Solutions business, the reactionary decline in large-scale projects for LAN and other work in the previous fiscal year and the decrease in sales of goods were offset by increases in DC and cloud work, global business, and software business. Moreover, we endeavored to expand net sales by consolidating and strengthening the ICT business through the collaboration of the three companies located in the Tohoku, Chugoku, and Shikoku regions.

In the NTT business, in addition to net sales having turned to an increase on the back of access and mobile construction work, we strived to improve profit margins by enhancing operational efficiency in the facility operation business. Moreover, we merged five access-related group companies in January 2025, aiming to improve productivity and expand into new business areas.

In the Multi-carrier business, although sales fell on account of the ongoing restraint in capital investment and other factors, we worked to consolidate operations and optimize the division of operations in concerted efforts to boost profit margins. We also endeavored to secure profits by sharing and consolidating assets of the carrier business among the regional companies and MIRAIT ONE Corporation branches.

Furthermore, the Company flexibly repurchased its own shares (2.42 million shares, 5,000 million yen) to enhance shareholder returns, based on its flexible capital policy to respond to changes in the management environment. Meanwhile, treasury shares not intended for use were partially cancelled (3 million shares).

Consolidated financial results for the fiscal year ended March 31, 2025 amounted to the following:

Orders received of 629,190 million yen (+14.6% year-on-year)

Net sales of 578,599 million yen (+11.6% year-on-year)

Operating profit of 27,985 million yen (+57.0% year-on-year)

Ordinary profit of 27,470 million yen (+47.0% year-on-year)

Profit attributable to owners of parent of 17,179 million yen (+37.0% year-on-year)

While posting extraordinary income from the sale of strategic shareholdings and idle real estate carried out for the purpose of promoting the growth strategy from the balance sheet perspective and strengthening the business portfolio, the Group also posted extraordinary losses from the liquidation of global-related companies and will steadily reform its business structure toward Beyond a Telecommunications Construction Company.

In addition, operating profit ratio came in at 4.8%, EBITDA margin at 7.2%, and ROE at 6.7%.

Note: EBITDA = Total of Operating profit + Depreciation + Amortization of goodwill

Business results by reportable segment are as mentioned below.

[Business Results of MIRAIT ONE]

MIRAIT ONE has made concerted efforts to expand its electrical and air conditioning work, as well as its green energy business, in line with growing demand from data centers in Japan, in addition to firm sales in its NTT business, despite the impact of continued capital investment constraints in the Multi-carrier business. The Company has also strived to streamline its business management structure by strengthening risk management to prevent the recurrence of large-scale unprofitable projects and by merging five Group companies, among other measures. Consequently, orders received increased by 3.4% year-on-year to 309,368 million yen, net sales increased by 2.6% year-on-year to 305,113 million yen, and operating profit rose by 128.6% year-on-year to 15,260 million yen.

[Business Results of Lantrovision]

In Lantrovision (S) Ltd Group (“Lantrovision”), the impact of data center demand growth in Singapore, Malaysia, Hong Kong, Taiwan, and Indonesia, as well as yen depreciation, lifted orders received and net sales, although rising prices and labor shortages in these countries pushed labor costs higher. In the main market of Singapore, competition heated. These resulted in orders received of 43,420 million yen, up by 43.4% year-on-year, net sales of 34,317 million yen, up 24.6% year-on-year, and operating profit decreased by 6.9% year-on-year to 1,411 million yen.

[Business Results of TTK]

In TTK Co., Ltd. (“TTK”), despite area expansion for high-speed optical communication service and an increase in mobile work processes in the carrier business, TTK was buffeted by temporary suspensions and process extensions of large-scale public works projects in the non-carrier business. As a result, orders received decreased by 5.6% year-on-year to 39,602 million yen, net sales were up by 0.8% year-on-year to 37,934 million yen, and operating profit decreased by 12.0% year-on-year to 2,416 million yen.

[Business Results of SOLCOM]

In addition to growth in solar power and power storage station works, SOLCOM Co., Ltd. (“SOLCOM”) received orders for large-scale road information infrastructure works, significantly expanding orders in the non-carrier business. However, the impact of ongoing curbs to capital investment in the Multi-carrier business led to a decline in sales and an increase in large-scale works carried forward. As a result, orders received rose by 15.6% year-on-year to 40,661 million yen, net sales were 33,397 million yen, down 0.4% year-on-year, and operating profit increased by 0.6% year-on-year to 1,407 million yen.

[Business Results of Shikokutsuken]

Shikokutsuken Co., Ltd. (“Shikokutsuken”) faced a decrease in orders for public works projects and private demand works for construction projects, etc., although it participated in PFI projects for common-use cable tunnels, saw increased optical equipment works and induction countermeasure works in the telecommunications business, and an increase in orders for terminal sales, etc., and also made efforts to enhance productivity. As a result, orders received were up by 9.5% year-on-year to 27,551 million yen, net sales rose 8.6% year-on-year to 25,097 million yen, and operating profit increased by 23.0% year-on-year to 3,039 million yen.

[Business Results of SEIBU CONSTRUCTION]

SEIBU CONSTRUCTION Co., LTD. (“SEIBU CONSTRUCTION”) faced an increasingly difficult business environment due to an industry-wide shortage of workers, the application of overtime work caps, and rising prices, including labor costs. However, in addition to focusing on winning large orders from the public and private sectors amid a solid order environment, it made steady progress in private-sector construction projects. As a result, orders received were up by 52.9% year-on-year to 98,973 million yen, net sales were 71,584 million yen, up by 6.9% year-on-year, and operating profit decreased by 11.4% year-on-year to 1,323 million yen.

[Business Results of MIRAIT ONE SYSTEMS]

MIRAIT ONE SYSTEMS Corporation (“MIRAIT ONE SYSTEMS”) focused its efforts on expanding business by strengthening the software business, developing software, and building and maintaining system infrastructure. In particular, MIRAIT ONE SYSTEMS endeavored to obtain orders for large new projects and for renewal projects. It also reduced costs through enhanced productivity and strengthened project management to manage risks. Consequently, orders received were up by 6.5% year-on-year to 30,388 million yen, net sales were 29,989 million yen, up 11.2% year-on-year, and operating profit increased by 7.3% year-on-year to 2,033 million yen.

[Business Results of Kokusai Kogyo]

Kokusai Kogyo Co., Ltd. (“Kokusai Kogyo”) mainly engages in surveying, research, planning, and designing, and are responsible for upstream processes to realize “vertical integration” aimed at accelerating the Group’s full-value model. To promote Group synergies in the “Zero Carbon City Business” and “Public Utility Infrastructure Management Business,” Kokusai Kogyo focuses on the fields of decarbonization and national land resilience based on spatial information technology, and infrastructure maintenance and management DX, and actively engages in advanced technologies. Consequently, orders received amounted to 47,950 million yen, net sales were 49,529 million yen, and operating profit was 1,541 million yen.

Results of production, orders received, and sales are as follows.

The results of production are omitted because the Group is mainly involved in the information and telecommunications engineering business, and it is difficult to identify actual amounts of production for the business.

“Actual amounts of orders received” and “Actual amounts of sales” show the consolidated performance of the Company for each segment.

a. Actual amounts of orders received

The following table shows actual amounts of orders received by segment for the fiscal year ended March 31, 2025.

Segment name	Orders received (million yen)	Year on year (%)
MIRAIT ONE	307,692	4.3
Lantrovision	43,420	43.4
TTK	39,417	(5.3)
SOLCOM	40,661	15.6
Shikokutsuken	27,533	9.8
SEIBU CONSTRUCTION	97,116	54.9
MIRAIT ONE SYSTEMS	25,405	(2.4)
Kokusai Kogyo	47,943	44.8
Total	629,190	14.6

Note: Inter-segment transactions are eliminated by offset.

b. Actual amounts of sales

The following table shows actual amounts of sales by segment for the fiscal year ended March 31, 2025.

Segment name	Net sales (million yen)	Year on year (%)
MIRAIT ONE	302,152	2.1
Lantrovision	34,317	24.7
TTK	37,657	0.9
SOLCOM	33,340	0.0
Shikokutsuken	25,079	8.8
SEIBU CONSTRUCTION	71,203	9.1
MIRAIT ONE SYSTEMS	25,325	10.1
Kokusai Kogyo	49,522	279.8
Total	578,599	11.6

Notes: 1. Inter-segment transactions are eliminated by offset.

2. The following table shows sales to customers that accounted for ten hundredths (10/100) or more of total sales and the percentage of such sales to total sales.

Customer	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	Net sales (million yen)	Percentage (%)	Net sales (million yen)	Percentage (%)
Nippon Telegraph and Telephone East Corporation	86,791	16.7	86,964	15.0
Nippon Telegraph and Telephone West Corporation	58,685	11.3	60,149	10.4

(2) Financial position

As at March 31, 2025, total assets amounted to 537,739 million yen, an increase of 17,779 million yen from the end of the previous fiscal year. This consisted of an increase in current assets of 16,543 million yen and an increase in non-current assets of 1,235 million yen. This was mainly due to an increase in notes receivable, accounts receivable from completed construction contracts and other under current assets in line with an increase in net sales, and increases in buildings and structures and leased assets under non-current assets, despite a decrease in deferred tax assets.

Total liabilities amounted to 267,862 million yen, an increase of 7,990 million yen from the end of the previous fiscal year. This consisted of a decrease in current liabilities of 31,689 million yen and an increase in non-current liabilities of 39,679 million yen. This was mainly due to a decrease in short-term borrowings under current liabilities, and an increase of bonds payable in non-current liabilities.

Net assets amounted to 269,877 million yen, an increase of 9,788 million yen from the end of the previous fiscal year. Although the Company paid dividends and repurchased its own shares, retained earnings increased by 10,677 million yen due to profit attributable to owners of parent of 17,179 million yen recorded during the fiscal year under review.

As a result of the above, the equity ratio at the end of the fiscal year ended March 31, 2025, was 48.6% (compared to 48.5% at the end of the previous fiscal year), and net assets per share were 2,914.94 yen.

(3) Cash flows

In the fiscal year ended March 31, 2025, cash and cash equivalents (hereinafter referred to as “funds”) increased by 3,333 million yen from the previous fiscal year to 51,350 million yen.

Net cash inflow from operating activities was 18,049 million yen (inflow of 33,625 million yen in the previous fiscal year). This was mainly attributable to profit before income taxes of 27,961 million yen.

Net cash outflow from investing activities was 9,370 million yen (outflow of 55,545 million yen in the previous fiscal year). This was mainly attributable to purchase of property, plant and equipment of 5,694 million yen, purchase of intangible assets of 2,070 million yen, and purchase of shares of subsidiaries resulting in change in scope of consolidation of 5,094 million yen.

Net cash outflow from financing activities was 6,412 million yen (inflow of 38,816 million yen in the previous year). This was mainly attributable to purchase of treasury shares of 4,987 million yen and dividends paid of 6,422 million yen.

(4) Capital resources and liquidity of funds

1) Financial policy

The Group's basic financial policy is to maintain both a stable financial base and capital efficiency. The Group will strive to enhance corporate value by creating new business opportunities and accelerating the transformation of its business structure. To this end, the Group will strategically allocate management resources with an awareness of the cost of capital while maintaining a sound financial position. We will make a comprehensive decision on shareholder returns, considering our capital policy, business performance, financial conditions, and other factors, with a target range for total return ratio of 50% to 70%.

2) Capital requirements

Capital requirements of the Group include ordinary working capital—such as materials, subcontracting, and labor costs for construction, and expenditures related to investment activities—such as capital investment funds for the acquisition of business assets and investment and loan funds for M&A for future growth.

With a target range for total return ratio of 50% to 70%, the Group will also allocate its cash flow to shareholder returns, mainly by purchasing treasury shares to pursue stable and continuous dividend growth and implement its flexible capital policy.

3) Method and status of financing

The Group basically finances its operations with internal funds and uses a cash management system (CMS) to effectively use the Group's funds. In case the Group needs capital temporarily, it procures short-term funds from financial institutions. For funding large-scale M&As and capital investments, the Group procures funds through the most appropriate means, such as bond issuance and syndicated loans, taking into account the maintenance of financial discipline and the market environment. To prepare for capital requirements for emergencies and growth investments such as M&A, the Group ensures it holds appropriate amounts of cash and deposits on hand. In addition, the Group works to build a fundraising structure, such as by maintaining and strengthening relationships with financial institutions to establish commitment lines for short-term borrowings and obtaining external credit ratings.

(5) Significant accounting estimates and underlying assumptions

The Group's consolidated financial statements are prepared based on accounting principles generally accepted in Japan. In preparing these consolidated financial statements, estimates and decisions affecting assets and profit and loss were made by taking into account various factors that were considered to be reasonable based on past results and information available at that time.

Significant accounting estimates and assumptions used in the preparation of the consolidated financial statements are disclosed in "V. Financial Information 1. Consolidated Financial Statements, etc. (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements, *Significant accounting estimates*."

5. Material Contracts

- (1) Syndicated loan agreement with six banks, with Mizuho Bank, Ltd. acting as arranger and agent and Sumitomo Mitsui Banking Corporation acting as joint arranger

1) Date of agreement	March 24, 2023
2) Attributes of counterparties	City banks and trust banks
3) Outstanding balance of debt under the agreement at fiscal year-end	10,000 million yen
4) Repayment due date	March 28, 2028
5) Collateral	Not applicable
6) Special covenants	<p>The Company is required to maintain, on the last day of each fiscal year from the fiscal year ended March 31, 2023 onward, the amount of total net assets on the consolidated balance sheet at or above the higher of:</p> <p>a. 75% of the amount of total net assets on the consolidated balance sheet as of March 31, 2022; or</p> <p>b. 75% of the amount of total net assets on the consolidated balance sheet as of the immediately preceding fiscal year-end.</p> <p>For any two consecutive fiscal years starting from the fiscal year ended March 31, 2023, onward, the Company must not record an operating loss on the consolidated statement of income for both fiscal years.</p>

- (2) Syndicated loan agreement with 17 banks, with Mizuho Bank, Ltd. acting as arranger and agent and Sumitomo Mitsui Banking Corporation acting as joint arranger

1) Date of agreement	March 24, 2023
2) Attributes of counterparties	City banks and regional banks
3) Outstanding balance of debt under the agreement at fiscal year-end	20,000 million yen
4) Repayment due date	March 28, 2028
5) Collateral	Not applicable
6) Special covenants	<p>The Company is required to maintain, on the last day of each fiscal year from the fiscal year ended March 31, 2023 onward, the amount of total net assets on the consolidated balance sheet at or above the higher of:</p> <p>a. 75% of the amount of total net assets on the consolidated balance sheet as of March 31, 2022; or</p> <p>b. 75% of the amount of total net assets on the consolidated balance sheet as of the immediately preceding fiscal year-end.</p> <p>For any two consecutive fiscal years starting from the fiscal year ended March 31, 2023, onward, the Company must not record an operating loss on the consolidated statement of income for both fiscal years.</p>

- (3) Syndicated loan agreement with 17 banks, with Sumitomo Mitsui Banking Corporation acting as arranger and agent

1) Date of agreement	October 25, 2024
2) Attributes of counterparties	City banks and regional banks
3) Outstanding balance of debt under the agreement at fiscal year-end	10,000 million yen
4) Repayment due date	October 30, 2029
5) Collateral	Not applicable
6) Special covenants	<p>The Company is required to maintain, on the last day of the fiscal year ended March 31, 2025, and on the last day of each fiscal year thereafter, the amount of total net assets stated on the consolidated balance sheet at or above the higher of:</p> <p>a. an amount equivalent to 75% of the amount of total net assets stated on the consolidated balance sheet as of March 31, 2024; or</p> <p>b. an amount equivalent to 75% of the amount of total net assets stated on the consolidated balance sheet as of the last day of the immediately preceding fiscal year.</p> <p>The Company must not record an operating loss on the consolidated statement of income for any two consecutive fiscal years starting from the fiscal year ended March 31, 2025, and each fiscal year thereafter.</p>

6. Research and Development Activities

Research and development (R&D) activities of the Group were mainly conducted by the business companies for the fiscal year ended March 31, 2025. R&D expenses of the Group for the fiscal year ended March 31, 2025, totaled 371 million yen. Major R&D activities for each segment are as follows.

MIRAIT ONE

The Frontier Business Division and NTT Business Division's DX Promotion Department support the R&D activities of MIRAIT ONE. The Frontier Business Division conducts (1) technological development for new business opportunities, (2) activities related to the introduction of new technologies, and (3) management of intellectual property across the company in cooperation with other business divisions and branches. The NTT Business Division's DX Promotion Department primarily focuses on (4) developing infrastructure technologies that contribute to the efficiency of construction and improvement of safety and quality in the network engineering business in cooperation with technical centers in the NTT Business Division.

R&D expenses amounted to 157 million yen.

(1) New business development

- MIRAIT ONE developed a technology to detect irregularities in solar panel power generation through dedicated software-based analysis of images taken by drones at solar power plants, for which a certain number of years have passed since the construction. This technology was introduced into our business for due diligence processes aimed at repowering used power plants. In addition, we initiated efforts to acquire know-how related to the installation of lightweight, flexible silicon solar cells.
- Utilizing the communication optical cable implementation technology we have cultivated, we have been working together with construction companies to promote the practical application of optical fiber sensing technology to monitor distortion in social infrastructure structures such as bridges. This technology aims to streamline the construction, maintenance, and management of such structures and realize advanced infrastructure operations, thereby supporting efficient and sustainable operations in social infrastructure. We received orders for five projects during the current fiscal year. Building on these projects, we will further enhance related technologies and expand our business scope.

(2) Activities related to the introduction of new technologies

- We joined the Public-Private Council for Expanding the Introduction of Next-Generation Solar Cells and Strengthening Industrial Competitiveness, organized by the Ministry of Economy, Trade and Industry, and launched a specific project aimed at the social implementation of perovskite solar cells. In this project, we developed a new construction method to improve the operational efficiency of perovskite solar cells at existing solar power plants and obtained a patent related to this method. We expect this new method to expand the potential for further use of existing power generation facilities and contribute to the spread of renewable energy.
- During the previous fiscal year, we developed an environment allowing all employees and Group companies to use generative AI technology with the aim of using it as early as possible to improve operational efficiency. During the current fiscal year, we enhanced applications, such as a tool for preparing meeting minutes, to promote the broader use of generative AI technology. In addition, we have been studying on an ongoing basis the application of AI technology to the field of image analysis, with the aim of utilizing the technology in engineering works such as the inspection of construction photographs.

(3) Management of intellectual property (April 1, 2024 through March 31, 2025)

- Three patents were registered. One trademark was filed, and one trademark was registered.

(4) Network engineering business

R&D activities related to communication lines

- Two VE suggestions by telecommunications carriers were judged to be acceptable by customers. Operational instructions were provided to telecommunications construction companies nationwide by issuing technical documents based on these suggestions.

1. Expansion of applicable wall surfaces for installing C-shaped hardware
 2. Improvement of the method for securing drop optical and outdoor cables to protruding hardware
- Five VE suggestions by telecommunications carriers were judged to be discretionally acceptable by customers. Based on these suggestions, the telecommunications construction companies nationwide were notified that they may adopt the operation at their own discretion.
 1. Modification of guy wire angle finders to prevent tampering
 2. Improvement of the method for securing external coils in buried cable locators
 3. Development of operation cords for anti-detachment fittings for lifting arms
 4. Development of a slitting jig for small-diameter drop cables
 5. Development of a flat plier, a pull-through tool for cable slitting strings

Reference

VE stands for Value Engineering. The VE suggestion system is for customers and seeks to improve service productivity in telecommunications facility contracted work through proactive initiatives, such as the improvement of efficiency of work and the reduction of cost.

Lantrovision

Not applicable.

TTK

The Expert Center of TTK supports its R&D activities. The center works with business divisions and branches to develop various machines, tools, measuring instruments, and other equipment necessary for work, and improve installation methods to improve productivity, quality, and safety of telecommunications construction business.

R&D expenses amounted to 3 million yen.

R&D activities related to communication lines

- One VE suggestion by telecommunications carriers was judged to be acceptable (including discretionally acceptable) by customers.
 1. Development of simplified water jet equipment (discretionally acceptable)

SOLCOM

Not applicable.

Shikokutsuken

Not applicable.

SEIBU CONSTRUCTION

Not applicable.

MIRAIT ONE SYSTEMS

Not applicable.

Kokusai Kogyo

In the consulting business for spatial information, the Advanced Technology Development Department of the Business Management division plays a central role in promoting R&D activities related to new technologies and new products, in cooperation with other departments within the Business Management division.

The Advanced Technology Development Department leads advanced and basic research, while project teams are organized for

individual R&D projects to efficiently advance the development of applied technologies, new products, and functional enhancements of existing products. R&D expenses for the fiscal year ended March 31, 2025, amounted to 210 million yen, mainly allocated to basic research, development of applied technologies and new products, and functional enhancements of existing products.

(1) Basic research

The in-house information navigation chatbot, an internal regulations search system utilizing generative AI that had been under development since the previous fiscal year, has now been put into operation. We not only use the system for our internal information retrieval, but also provide it as a service to national and local governments for use in searching for information on affected areas, evacuation sites, etc., in the event of a disaster.

Fusion Space, a 3D viewer, enables high-speed display of 3D point cloud data, which is obtained mainly for the maintenance and management of roads and rivers and erosion control, CAD data, and other types of data. The viewer also allows for the creation of cross-sectional views and the calculation of areas and volumes. In addition to installation for customers and our internal use, we are also exploring the possibility of installing the viewer across the MIRAIT ONE Group.

Furthermore, in collaboration with Gunma University and local governments in Gunma Prefecture, we are developing a CO₂ monitoring and visualization tool aimed at realizing a decarbonized society. This tool makes it possible to identify human-activity-based CO₂ emissions and their sources on the ground surface, which has traditionally been difficult, and is expected to contribute to new approaches in decarbonization.

(2) Research on development of applied technologies and new products

In the fiscal year ended March 31, 2025, we conducted 32 technological developments related to each of our businesses. The developments mainly focus on technologies that contribute to national resilience and DX promotion, such as river flow measurement, surveys, and diagnosis of deterioration of infrastructure facilities, and monitoring of slopes. In addition, we are actively advancing technological development related to GX promotion, including the recent development of techniques for identifying seaweed beds to support the J-credit and blue carbon schemes. Furthermore, we are promoting the use of AI in a wide range of technological developments, such as estimating river flow volumes from photographs and identifying slope collapse points from aerial images.

(3) Others

Mainly aiming to improve technologies and facilitate interaction in the spatial information consulting business in general, the Advanced Technology Development Department of Kokusai Kogyo Co., Ltd. plays a central role in 1) holding technical symposiums, 2) dispatching employees to relevant national research institutions, and 3) hosting study groups led by academics and other experts in specialized fields on an ongoing basis.

III. Information about Facilities

1. Overview of Capital Expenditures, etc.

During the fiscal year ended March 31, 2025, the Company made capital expenditures of 10,301 million yen in total. The major components of the capital expenditures were the acquisition cost of land for Kashiwa Technical Center and system development expenses for internal use, which were incurred by the Company, and the construction cost of Shin Minamimachi Building, incurred by SOLCOM Co., Ltd.

2. Major Facilities

(1) Reporting company

- MIRAIT ONE Corporation

(As of March 31, 2025)

Office (location)	Segment name	Description of facilities	Carrying amount (million yen)							Number of employees (persons)
			Buildings and structures	Machinery, equipment and vehicles	Land		Leased assets	Other	Total	
					Area (m ²)	Amount				
Head Office (Koto-ku, Tokyo)	MIRAIT ONE	Head office	204	10	—	—	17	44	277	434
Kanto region branch offices / construction offices (Koto-ku, Tokyo and 9 other locations)		Branch office/ construction base	7,215	55	72,489	10,870	86	127	18,354	778
Kansai region branch offices/construction offices (Osaka City, Osaka Pref. and 6 other locations)		Branch office/ construction base	19,517	63	32,865	5,481	349	145	25,558	813
Tohoku region construction offices (Koriyama City, Fukushima Pref.)		Construction base	78	—	8,732	469	4	1	553	26
Training Center (Ichikawa City, Chiba Pref.)		Training center	364	10	3,497	251	2	3	634	17
Company dormitories (Adachi-ku, Tokyo and 1 other location)		Company dormitory	1,372	4	2,786	16	—	1	1,394	—

(2) Consolidated subsidiaries

- TTK Co., Ltd.

(As of March 31, 2025)

(As of March 31, 2023)										
Office (location)	Segment name	Description of facilities	Carrying amount (million yen)							Number of employees (persons)
			Buildings and structures	Machinery, equipment and vehicles	Land		Leased assets	Other	Total	
					Area (m ²)	Amount				
Head Office (Wakabayashi-ku, Sendai City)	TTK	Head office	834	108	14,747	923	1	125	1,992	470
Miyagi Branch Office (Wakabayashi-ku, Sendai City)		Branch office/ construction base	320	0	29,525	367	394	20	1,102	57
Iwate Branch Office (Yahaba Town, Iwate Pref.)		Branch office/ construction base	108	0	31,925	296	165	7	578	31
Aomori Branch Office (Aomori City, Aomori Pref.)		Branch office/ construction base	289	0	21,946	73	54	6	424	20
Akita Branch Office (Akita City, Akita Pref.)		Branch office/ construction base	444	0	11,396	155	0	0	600	24
Yamagata Branch Office (Yamagata City, Yamagata Pref.)		Branch office/ construction base	21	0	6,188	80	118	5	226	23
Fukushima Branch Office (Fukushima City, Fukushima Pref.)		Branch office/ construction base	461	18	13,660	108	114	4	707	28

• SOLCOM Co., Ltd.

(As of March 31, 2025)

(As of March 31, 2023)										
Office (location)	Segment name	Description of facilities	Carrying amount (million yen)							Number of employees (persons)
			Buildings and structures	Machinery, equipment and vehicles	Land		Leased assets	Other	Total	
					Area (m ²)	Amount				
Head Office/Business Headquarters (Naka-ku, Hiroshima City and 1 other location)	SOLCOM	Head office	607	0	9,389	417	120	59	1,205	355
Hiroshima Branch Office (Naka-ku, Hiroshima City and 1 other location)		Branch office	568	0	55,454	2,417	3	3	2,993	128
Okayama Branch Office (Kita-ku, Okayama City and 1 other location)		Branch office	492	0	29,124	905	12	7	1,418	108
Yamaguchi Branch Office (Yamaguchi City, Yamaguchi Pref.)		Branch office	366	19	62,180	614	153	5	1,159	79
Shimane Branch Office (Matsue City, Shimane Pref.)		Branch office	409	0	18,725	159	2	5	578	74
Tokyo Branch Office (Ota-ku, Tokyo)		Branch office	5	—	292	410	—	0	415	11

• Shikokutsuken Co., Ltd.

(As of March 31, 2025)

(As of March 31, 2023)

Office (location)	Segment name	Description of facilities	Carrying amount (million yen)							Number of employees (persons)
			Buildings and structures	Machinery, equipment and vehicles	Land		Leased assets	Other	Total	
					Area (m ²)	Amount				
Head Office (Imabari City, Ehime Pref.)	Shikokutsuken	Head office	1,026	4	22,002	612	—	21	1,664	239
Matsuyama Branch Office (Matsuyama City, Ehime Pref.)		Branch office	85	47	8,657	500	—	4	638	84
Takamatsu Branch Office (Takamatsu City, Kagawa Pref.)		Branch office	54	—	4,512	199	—	0	253	23
Kochi Branch Office (Kochi City, Kochi Pref.)		Branch office	46	34	5,172	301	—	2	385	69
Tokushima Branch Office (Tokushima City, Tokushima Pref.)		Branch office	63	—	2,302	24	—	0	88	18
Niihama Sales Office (Niihama City, Ehime Pref.)		Sales office	38	—	643	111	—	0	150	31
Saijo Sales Office (Saijo City, Ehime Pref.)		Sales office	50	40	3,075	234	—	1	326	32
Uwajima Sales Office (Uwajima City, Ehime Pref.)		Sales office	9	10	3,301	75	—	0	95	26

• SEIBU CONSTRUCTION Co., LTD.

(As of March 31, 2025)

(As of March 31, 2023)

Office (location)	Segment name	Description of facilities	Carrying amount (million yen)							Number of employees (persons)
			Buildings and structures	Machinery, equipment and vehicles	Land		Leased assets	Other	Total	
					Area (m ²)	Amount				
Kume Dormitory (Tokorozawa City, Saitama Pref.)	SEIBU CONSTRUCTION	Company dormitory, etc.	0	–	1,672	204	–	0	205	–
Shonan Office (Kamakura City, Kanagawa Pref.)		Office	2	–	1,105	211	–	0	213	2
Tokorozawa Head Office (Tokorozawa City, Saitama Pref.)		Office	12	10	–	–	11	129	164	297

• MIRAIT ONE SYSTEMS Corporation

(As of March 31, 2025)

(As of March 31, 2023)										
Office (location)	Segment name	Description of facilities	Carrying amount (million yen)							Number of employees (persons)
			Buildings and structures	Machinery, equipment and vehicles	Land		Leased assets	Other	Total	
					Area (m ²)	Amount				
Head Office (Minato-ku, Tokyo)	MIRAIT ONE SYSTEMS	Head office	55	—	—	—	—	30	85	216

• Kokusai Kogyo Co., Ltd.

(As of March 31, 2025)

Office (location)	Segment name	Description of facilities	Carrying amount (million yen)							Number of employees (persons)
			Buildings and structures	Machinery, equipment and vehicles	Land		Leased assets	Other	Total	
					Area (m ²)	Amount				
Head Office (Shinjuku-ku, Tokyo)	Kokusai Kogyo	Head office	83	11	—	—	21	14	130	316
Tokyo Office (Fuchu City, Tokyo)		Tokyo office	17	3	—	—	540	26	588	714
Kansai Office (Yodogawa-ku, Osaka City)		Kansai office	177	0	—	—	—	45	222	343
Kyushu Office (Hakata-ku, Fukuoka City)		Kyushu office	10	0	—	—	15	7	32	134
Chubu Office (Nishi-ku, Nagoya City)		Chubu office	8	—	—	—	29	2	39	80
Tohoku Office (Wakabayashi-ku, Sendai City)		Tohoku office	7	—	—	—	12	1	21	122
Sendai TAGONISHI (Miyagino-ku, Sendai City)		Symbiotic complex	245	0	5,523	468	—	0	714	—
20 solar power generation facilities (Iwanuma City, Miyagi Pref., etc.)		20 solar power generation facilities	123	3,118	—	—	—	9	3,251	—
Other offices (Shinjuku-ku, Tokyo, etc.)		Sales and other offices	130	12	—	—	184	6	333	282

• Other domestic subsidiaries

(As of March 31, 2025)

(As of March 31, 2023)											
Company name	Office (location)	Segment name	Description of facilities	Carrying amount (million yen)							Number of employees (persons)
				Buildings and structures	Machinery, equipment and vehicles	Land		Leased assets	Other	Total	
						Area (m ²)	Amount				
MIRAIT ONE NEXT Corporation	Sano City, Tochigi Pref.	MIRAIT ONE	Sales office	116	119	10,491	536	—	4	776	29
Dentsushizai Corporation	Aki District, Hiroshima Pref.	SOLCOM	Head office	41	304	10,764	431	—	3	781	20

• Foreign subsidiaries

(As of December 31, 2024)

(As of December 31, 2024)											
Company name	Office (location)	Segment name	Description of facilities	Carrying amount (million yen)							Number of employees (persons)
				Buildings and structures	Machinery, equipment and vehicles	Land		Leased assets	Other	Total	
						Area (m ²)	Amount				
Shanghai Changling Communication Equipment Co., Ltd.	Shanghai, China	Lantrovision	Telecommunications tower	1,922	4	—	—	—	10	1,938	28

- Notes: 1. The above amounts do not include consumption and other taxes and construction in progress.
2. “Other” in the carrying amount shows the total amount of tools, furniture and fixtures.
3. Certain land and buildings are leased from entities other than consolidated subsidiaries, and the annual rents amounted to 5,979 million yen.
4. The balance sheet date of Shanghai Changling Communication Equipment Co., Ltd. was December 31, 2024. As the company’s financial statements as of that date were used to prepare the consolidated financial statements, the figures presented in the table above were as of December 31, 2024.

3. Planned Additions, Retirements and Other Changes of Facilities

(1) Additions of major facilities, etc.

Company name	Office (location)	Segment name	Description of facilities	Planned investment		Financing method	Start date	Expected completion date	Increased capacity after completion
				Total (million yen)	Paid (million yen)				
SOLCOM Co., Ltd.	Shin Minamimachi Building (Hiroshima City)	SOLCOM	Buildings, structures	2,166	1,456	Own funds	August 2023	July 2025	—

Note: The above amounts do not include consumption and other taxes.

(2) Retirements of major facilities, etc.

There were no planned retirements of major facilities, except for the retirements of facilities for regular upgrading.

IV. Information about Reporting Company

1. Company's Shares, etc.

(1) Total number of shares

1) Authorized shares

Type	Total number of shares authorized to be issued (shares)
Common stock	330,000,000
Total	330,000,000

2) Issued shares

Type	Number of issued shares as of fiscal year end (March 31, 2025) (shares)	Number of issued shares as of filing date (June 23, 2025) (shares)	Name of financial instruments exchange on which securities are listed or authorized financial instruments business association to which securities are registered	Description
Common stock	91,325,329	91,325,329	Prime Market of the Tokyo Stock Exchange	The number of shares constituting one unit is 100 shares.
Total	91,325,329	91,325,329	—	—

(2) Share acquisition rights

1) Stock option plans

Not applicable.

2) Rights plans

Not applicable.

3) Share acquisition rights for other uses

Not applicable.

(3) Exercises of moving strike convertible bonds, etc.

Not applicable.

(4) Changes in number of issued shares, share capital and legal capital surplus

Date	Increase (decrease) in total number of issued shares (shares)	Balance of total number of issued shares (shares)	Increase (decrease) in share capital (million yen)	Balance of share capital (million yen)	Increase (decrease) in legal capital surplus (million yen)	Balance of legal capital surplus (million yen)
February 28, 2023 (Note)	(5,000,000)	103,325,329	—	7,000	—	2,000
February 29, 2024 (Note)	(9,000,000)	94,325,329	—	7,000	—	2,000
February 28, 2025 (Note)	(3,000,000)	91,325,329	—	7,000	—	2,000

Note: The decrease was attributable to the cancellation of treasury shares.

(5) Shareholding by shareholder category

(As of March 31, 2025)

(As of March 31, 2023)

Category	Shareholding status (Number of shares constituting one unit: 100 shares)								Shares less than one unit (shares)
	National and local governments	Financial institutions	Financial service providers	Other corporations	Foreign investors, etc.		Individuals and others	Total	
					Non-individuals	Individuals			
Number of shareholders (persons)	—	47	37	330	222	39	30,327	31,002	—
Number of shares held (units)	—	315,398	19,188	100,317	229,973	67	245,351	910,294	295,929
Percentage of shareholdings (%)	—	34.65	2.11	11.02	25.26	0.01	26.95	100.00	—

Notes: 1. Out of 1,075,053 treasury shares, 10,750 units are included in Individuals and others, and 53 shares are included in Shares less than one unit.

2. 539,600 shares (5,396 units) held by Custody Bank of Japan, Ltd. (trust account E) as trust property of the Board Benefit Trust are included in Financial institutions.

3. 47 units and 35 shares held in the name of Japan Securities Depository Center are included in Other corporations and Shares less than one unit, respectively.

(6) Major shareholders

(As of March 31, 2025)

Name	Address	Number of shares held (thousand shares)	Shareholding ratio (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (trust account)	1-8-1 Akasaka, Minato-ku	13,100	14.52
Custody Bank of Japan, Ltd. (trust account)	1-8-12, Harumi, Chuo-ku	6,404	7.10
Sumitomo Electric Industries, Ltd.	4-5-33, Kitahama, Chuo-ku, Osaka City	3,668	4.07
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd.)	One Congress Street, Suite 1, Boston, MA (2-15-1, Konan, Minato-ku)	2,472	2.74
MIRAIT ONE Employee Stockholding Association	5-6-36, Toyosu, Koto-ku	2,200	2.44
Sumitomo Densetsu Co., Ltd.	2-1-4, Awaza, Nishi-ku, Osaka City	1,991	2.21
Mizuho Bank, Ltd. (Standing proxy: Custody Bank of Japan, Ltd.)	1-5-5, Otemachi, Chiyoda-ku (1-8-12, Harumi, Chuo-ku)	1,300	1.44
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Mizuho Bank, Ltd.)	1776 Heritage Drive, North Quincy, MA 02171, U.S.A. (2-15-1, Konan, Minato-ku)	1,188	1.32
JP MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Ltd.)	25 Bank Street, Canary Wharf, London, E14 5JP, United Kingdom (2-15-1, Konan, Minato-ku)	1,171	1.30
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT (Standing proxy: MUFG Bank, Ltd.)	Avenue des Arts, 35 Kunstlaan, 1040 Brussels, Belgium (1-4-5, Marunouchi, Chiyoda-ku)	1,164	1.29
Total	—	34,663	38.41

Notes: 1. The number of shares held through trusts are as follows:

The Master Trust Bank of Japan, Ltd. (Trust Account): 13,100 thousand shares

Custody Bank of Japan, Ltd. (Trust Account): 6,404 thousand shares

2. The percentage of shareholdings to the total issued shares was calculated after deducting 1,075 thousand treasury shares.

(7) Voting rights

1) Issued shares

(As of March 31, 2025)

Category	Number of shares (shares)	Number of voting rights (units)	Description
Shares with no voting rights	—	—	—
Shares with restricted voting rights (treasury shares, etc.)	—	—	—
Shares with restricted voting rights (other)	—	—	—
Shares with full voting rights (treasury shares, etc.)	(Treasury shares) Common stock 1,075,000	—	—
Shares with full voting rights (other)	Common stock 89,954,400	899,544	—
Share less than one unit	Common stock 295,929	—	—
Total number of issued shares	91,325,329	—	—
Voting rights held by all shareholders	—	899,544	—

Notes: 1. The number of shares of common stock in Shares with full voting rights (other) includes 4,700 shares (47 units of voting rights) held in the name of Japan Securities Depository Center and 539,600 shares (5,396 units of voting rights) held by Custody Bank of Japan, Ltd. (Trust Account E) as trust property of the Board Benefit Trust system. The 5,396 units of voting rights are not to be exercised.

2. The number of shares of common stock in Share less than one unit includes 53 treasury shares held by the Company and 35 shares held in the name of Japan Securities Depository Center.

2) Treasury shares, etc.

(As of March 31, 2025)

Name of shareholder	Address of shareholder	Number of shares held in own name (shares)	Number of shares held in others' names (shares)	Total number of shares held (shares)	Shareholding ratio (%)
(Treasury shares) MIRAIT ONE Corporation	5-6-36, Toyosu, Koto-ku	1,075,000	—	1,075,000	1.18
Total	—	1,075,000	—	1,075,000	1.18

Notes: 1. In addition to the above, 1,540 shares (15 units of voting rights) are recorded in the name of MIRAIT Technologies Corporation in the shareholder register but are not substantially held by the company. Out of these shares, 1,500 shares and 40 shares are included in Shares with full voting rights (other) and Share less than one unit, respectively, in “1) Issued shares” above.

2. 539,600 shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account E) set up for introducing the Board Benefit Trust system are not included in the above number of treasury shares.

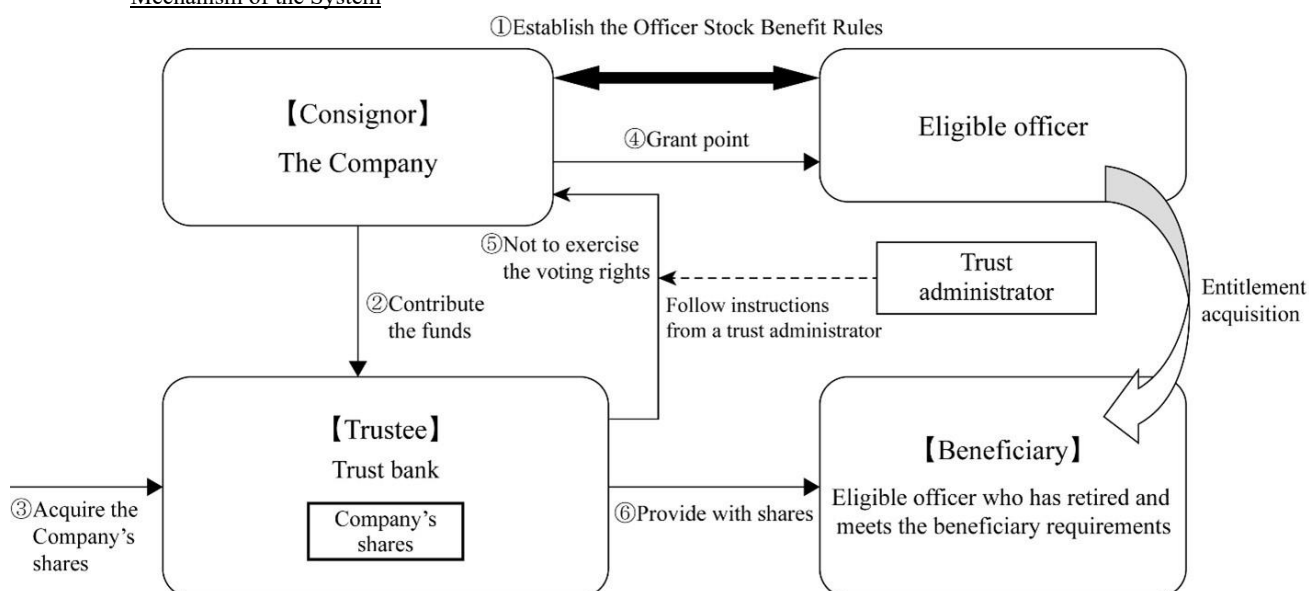
(8) Share ownership plan for Directors, other officers and employees

Based on the resolution at the 6th Ordinary General Meeting of Shareholders held on June 28, 2016, the Company introduced a performance-linked stock-based remuneration system of a “Board Benefit Trust” (hereinafter referred to as the “System”) from September 30, 2016. The introduction was for the purpose of clarifying the connection between remuneration of officers and the Company’s performance and share price to raise awareness of contributions to the improvement of medium- to long-term performance and corporate value. This is the System to grant the Company’s shares to the Company’s Directors who are not Audit and Supervisory Committee members or Executive Officers as well as Directors and Executive Officers of the Company’s subsidiaries (excluding Outside Directors and Non-executive Directors; hereinafter referred to as “Group Officers”): TTK Co., Ltd., SOLCOM Co., Ltd., Shikokutsuken Co., Ltd., SEIBU CONSTRUCTION Co., LTD., MIRAIT ONE SYSTEMS Corporation, and Kokusai Kogyo Co., Ltd., who have met certain requirements.

1. Overview of the System

The System is a performance-linked stock-based remuneration system in which shares of the Company are acquired using funds contributed by the Company, and provided to Group Officers in principle through a trust in accordance with the Officer Stock Benefit Rules stipulated by the Boards of Directors of the Company and the Group companies: TKK Co., Ltd., SOLCOM Co., Ltd., Shikokutsuken Co., Ltd., SEIBU CONSTRUCTION Co., LTD., MIRAIT ONE SYSTEMS Corporation, and Kokusai Kogyo Co., Ltd. In principle, the timing of receipt of the shares by the Group Officers” shall be when retiring from the position of officer of the “Group.”

Mechanism of the System



- 1) The Group Officers’ remuneration paid under the System was resolved at the general meeting of shareholders. Subsequently, the Company established the Officer Stock Benefit Rules within the scope of the framework approved at the general meeting of shareholders.
 - 2) The Company will contribute the funds within the range approved at the general meeting of shareholders specified in 1).
 - 3) The trust will acquire the Company’s shares through the stock market or by receiving disposal of the Company’s treasury stock using the funds entrusted under 2).
 - 4) The Company will grant points to eligible officers based on the Officer Stock Benefit Rules.
 - 5) The trust shall follow instructions from a trust administrator independent from the Company not to exercise the voting rights of the Company’s shares in the trust account.
 - 6) The trust will provide an eligible officer who has retired and meets the beneficiary requirements stipulated in the Officer Stock Benefit Rules with the number of shares corresponding to the number of points granted to the beneficiary.
2. Total number of shares to be contributed to the Board Benefit Trust
Future contributions have not yet been decided.
 3. Persons eligible to receive beneficiary rights and other rights under the Board Benefit Trust
Group Officers who have retired and meet the beneficiary requirements stipulated in the Officer Stock Benefit Rules

2. Acquisition and Disposal of Treasury Shares

Class of shares, etc.: Acquisition of common stock under Article 155, Items 3 and 7 of the Companies Act

(1) Acquisition by resolution of General Meeting of Shareholders

Not applicable.

(2) Acquisition by resolution of Board of Directors meeting

Acquisition under Article 156 of the Companies Act, as applied mutatis mutandis pursuant to Article 165, paragraph (3) of the Act

Category	Number of shares (shares)	Total amount (yen)
Status of resolution at the Board of Directors meeting (held on February 27, 2024) (Purchase period: February 28, 2024, through April 30, 2024)	1,800,000	2,000,000,000
Treasury shares acquired before the fiscal year ended March 31, 2025	542,900	1,014,205,750
Treasury shares acquired during the fiscal year ended March 31, 2025	514,600	985,747,350
Total number and amount of remaining shares resolved	742,500	46,900
Unexercised percentage as of March 31, 2025 (%)	41.25	0.00
Treasury shares acquired during the period from April 1, 2025, to June 23, 2025	—	—
Unexercised percentage as of the filing date (%)	41.25	0.00

Category	Number of shares (shares)	Total amount (yen)
Status of resolution at the Board of Directors meeting (held on May 13, 2024) (Purchase period: May 14, 2024 through September 30, 2024)	1,500,000	2,000,000,000
Treasury shares acquired before the fiscal year ended March 31, 2025	—	—
Treasury shares acquired during the fiscal year ended March 31, 2025	1,009,600	1,999,865,250
Total number and amount of remaining shares resolved	490,400	134,750
Unexercised percentage as of March 31, 2025 (%)	32.69	0.01
Treasury shares acquired during the period from April 1, 2025, to June 23, 2025	—	—
Unexercised percentage as of the filing date (%)	32.69	0.01

Category	Number of shares (shares)	Total amount (yen)
Status of resolution at the Board of Directors meeting (held on November 13, 2024) (Purchase period: November 14, 2024, through March 31, 2025)	1,500,000	2,000,000,000
Treasury shares acquired before the fiscal year ended March 31, 2025	—	—
Treasury shares acquired during the fiscal year ended March 31, 2025	898,100	1,999,888,700
Total number and amount of remaining shares resolved	601,900	111,300
Unexercised percentage as of March 31, 2025 (%)	40.13	0.01
Treasury shares acquired during the period from April 1, 2025, to June 23, 2025	—	—
Unexercised percentage as of the filing date (%)	40.13	0.01

Category	Number of shares (shares)	Total amount (yen)
Status of resolution at the Board of Directors meeting (held on May 13, 2025) (Purchase period: May 14, 2025, through September 30, 2025)	2,000,000	3,000,000,000
Treasury shares acquired before the fiscal year ended March 31, 2025	—	—
Treasury shares acquired during the fiscal year ended March 31, 2025	—	—
Total number and amount of remaining shares resolved	—	—
Unexercised percentage as of March 31, 2025 (%)	—	—
Treasury shares acquired during the period from April 1, 2025, to June 23, 2025	218,900	539,211,600
Unexercised percentage as of the filing date (%)	89.05	82.03

Note: The number of treasury shares acquired during the period from April 1, 2025, to June 23, 2025, does not include shares acquired during the period from June 1, 2025, to June 23, 2025.

(3) Acquisition not based on resolution of General Meeting of Shareholders or Board of Directors meeting

Category	Number of shares (shares)	Total amount (yen)
Treasury shares acquired during the fiscal year ended March 31, 2025	717	1,509,912
Treasury shares acquired during the period from April 1, 2025, to June 23, 2025	177	392,780

- Notes:
1. Treasury shares acquired during the fiscal year ended March 31, 2025, represent 717 shares (total amount of 1,509,912 yen) acquired in response to the demand for purchase of shares less than one unit as stipulated under Article 155, Item 7 of the Companies Act.
 2. Treasury shares acquired during the period from April 1, 2025, to June 23, 2025, represent shares acquired in response to the demand for purchase of shares less than one unit as stipulated under Article 155, Item 7 of the Companies Act.
 3. The number of treasury shares acquired during the period from April 1, 2025, to June 23, 2025, does not include shares less than one unit purchased during the period from June 1, 2025, to June 23, 2025.

(4) Disposal of acquired treasury shares and number of treasury shares held

Category	Current fiscal year		From April 1 until the filing date of this Annual Securities Report	
	Number of shares (shares)	Total amount of disposal (yen)	Number of shares (shares)	Total amount of disposal (yen)
Acquired treasury shares for which subscribers were solicited	—	—	—	—
Acquired treasury shares that were disposed of	3,000,000	5,795,340,000	—	—
Acquired treasury shares that were transferred for merger, share exchange, share issuance and company split	—	—	—	—
Other (sale of shares to meet demands to buy additional share of less than one unit)	181	378,252	—	—
Number of Treasury shares held	1,075,053	—	1,294,130	—

- Notes:
1. The number of treasury shares held during the period from April 1, 2025, to June 23, 2025, does not include shares less than one unit purchased or sold to meet demands to buy additional shares of less than one unit during the period from June 1, 2025, to June 23, 2025.
 2. Shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account E) set up for introducing the Board Benefit Trust system are not included in the above number of treasury shares held.

3. Dividend Policy

The Company has enhanced its existing policy on shareholder returns with the management strategy from a balance sheet perspective announced in November 2023. Our target total shareholder return range is 50% to 70% through stable dividend growth and flexible share repurchases.

We will proactively cancel treasury stock that has no purpose of use.

Dividends from retained earnings are basically paid twice a year, in the form of an interim dividend and a year-end dividend. The Board of Directors is the decision-making body for interim dividends, and the General Meeting of Shareholders is that for year-end dividends. Payment of interim dividends as stipulated under Article 454, paragraph (5) of the Companies Act has been specified by the Articles of Incorporation of the Company.

Based on the above, the Company plans to pay a year-end dividend of 40 yen per share for the current fiscal year. Accordingly, the Company plans to pay an annual dividend of 75 yen per share (an interim dividend of 35 yen and a year-end dividend of 40 yen per share) for the 15th fiscal year.

The Company also repurchased shares (a total of 2.42 million shares, worth 5,000 million yen) to enhance shareholder returns and based on its capital policy to respond flexibly to changes in the business environment. As a result, the total shareholder return ratio for the current fiscal year was 68.6%.

As for shareholder returns for the fiscal year ending March 31, 2026, the Company plans to pay an annual dividend of 85 yen per share (an interim dividend of 40 yen and a year-end dividend of 45 yen per share), which is an increase of 10 yen per share from the previous year. In addition, on May 13, 2025, the Company resolved to repurchase its own shares of up to 2 million shares, worth 3,000 million yen.

Note: Dividends of surplus whose record date falls within the current fiscal year are as follows:

Resolution date	Total amount of dividends (million yen)	Dividend paid per share (yen)
Board of Directors meeting held on November 13, 2024	3,190	35.00
Ordinary General Meeting of Shareholders to be held on June 25, 2025	3,610	40.00

4. Corporate Governance

(1) Overview of corporate governance

1) Basic approach to corporate governance

The Company recognizes the importance of management as a socially responsible company and has put in place organizational structures and systems to ensure transparency and fairness in decision-making. Building relationships founded in trust with all of our stakeholders, including shareholders, is positioned as the most important aspect of management.

The Company recognizes that effective corporate governance is crucial for establishing trust with its stakeholders and will enhance the effectiveness of its corporate governance by improving the following areas:

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

2) Corporate governance system and reasons for selecting the system

1. Corporate governance system

The Company is one with an Audit and Supervisory Committee and has the Board of Directors, Audit and Supervisory Committee, and an accounting auditor.

As for Directors, the Company has appointed independent Outside Directors.

As of the filing date of this report (June 23, 2025), there are 13 Directors, five of whom are Outside Directors.

In addition, a system has been established in which the Audit and Supervisory Committee, the Internal Audit Department and the accounting auditor conduct independent audits, and they cooperate with one another.

Diagram of corporate bodies, internal control, etc., is as follows:



a. The overview of established corporate bodies as of June 23, 2025 (the filing date of this Annual Securities Report), is as follows:

Name	Objective and authority	Representative	Members	
Board of Directors	A body that resolves legal matters related to the management of the Company, determines fundamental management policy and important matters concerning the execution of business, in addition to overseeing the execution of duties by Directors	Toshiki Nakayama, President and CEO	Directors who are not Audit and Supervisory Committee members	Hidemune Sugahara, Yasushi Totake, Tatsumi Miyazaki, Yoichiro Takaya, Hiroshi Wakimoto, Takaaki Mitsuya, Mayumi Yamamoto, Shinichi Kawatani, Yuko Tsukasaki
			Directors who are Audit and Supervisory Committee members	Shinji Seo, Chiaki Katsumaru (Chiaki Ishikawa), Osamu Hayakawa
Nomination and Compensation Committee	A body established as a voluntary advisory committee under the Board of Directors to heighten objectivity in matters related to the nomination and compensation of Directors	Mayumi Yamamoto, Outside Director	Directors	Shinichi Kawatani, Yuko Tsukasaki, Toshiki Nakayama
Audit and Supervisory Committee	A body to report on audits of Directors' execution of duties, etc., and make resolutions on important matters related to audits	Shinji Seo, Director, Audit and Supervisory Committee member (Full-time)	Audit and Supervisory Committee Members	Chiaki Katsumaru (Chiaki Ishikawa), Osamu Hayakawa
Group Executive Committee	A body that receives reports and deliberates on vital policies about important matters related to management policies	Toshiki Nakayama, President and CEO	Members	COOs of Business Companies, Strategy Headquarters Managers of Business Companies, President of Major Group Companies, Strategy Headquarters Manager of Major Group Companies, General Manager of Global Business Division, 1st Department Manager of Staff Department, Directors who are Audit and Supervisory Committee members (Full-time)
ESG Management Promotion Committee	A body to formulate basic ESG policies and strategies for the entire Group, promote various measures, and receive reports on matters delegated by subordinate subcommittees (Risk Management, Compliance, Human Rights/D&I)	Toshiki Nakayama, President and CEO	Members	COOs of Business Companies, President of Major Group Companies, General Manager of Frontier Business Division, Global Business Headquarters Manager, 1st Department Manager of Staff Department, Directors who are Audit and Supervisory Committee members (Full-time)

- Notes: 1. Directors who are not Audit and Supervisory Committee members, Mayumi Yamamoto, Shinichi Kawatani, and Yuko Tsukasaki, are Outside Directors.
2. Directors who are Audit and Supervisory Committee members, Chiaki Katsumaru (Chiaki Ishikawa) and Osamu Hayakawa, are Outside Directors.

b. The Company has submitted the following proposals (proposals to be resolved) for the Ordinary General Meeting of Shareholders to be held on June 25, 2025: “Election of Ten Directors (excluding Directors who are Audit and Supervisory Committee Members) of MIRA IT ONE Corporation” and “Election of One Director who is an Audit and Supervisory Committee Member of MIRA IT ONE Corporation.” If these proposals are approved and passed, there will be 13 Directors, five of whom are Outside Directors.

The overview of established corporate bodies is expected to be as follows:

Name	Objective and authority	Representative	Members	
Board of Directors	A body that resolves legal matters related to the management of the Company, determines fundamental management policy and important matters concerning the execution of business, in addition to overseeing the execution of duties by Directors	Director predetermined by the Board of Directors	Directors who are not Audit and Supervisory Committee members	Toshiki Nakayama, Hidemune Sugahara, Yasushi Totake, Yoichiro Takaya, Hiroshi Wakimoto, Takaaki Mitsuya, Hiromasa Takaoka, Mayumi Yamamoto, Shinichi Kawatani, Yuko Tsukasaki
			Directors who are Audit and Supervisory Committee members	Shinji Seo, Osamu Hayakawa, Midori Mizutani
Nomination and Compensation Committee	A body established as a voluntary advisory committee under the Board of Directors to heighten objectivity in matters related to the nomination and compensation of Directors	Mayumi Yamamoto, Outside Director	Directors	Shinichi Kawatani, Yuko Tsukasaki, Toshiki Nakayama, Hidemune Sugahara
Audit and Supervisory Committee	A body to report on audits of Directors’ execution of duties, etc., and make resolutions on important matters related to audits	Shinji Seo, Director, Audit and Supervisory Committee member (Full-time)	Audit and Supervisory Committee Members	Osamu Hayakawa, Midori Mizutani
Group Executive Committee	A body that receives reports and deliberates on vital policies about important matters related to management policies	Hidemune Sugahara, President and CEO	Members	Chairman, COOs of Business Companies, Strategy Headquarters Managers of Business Companies, President of Major Group Companies, Strategy Headquarters Manager of Major Group Companies, General Manager of Frontier Business Division, General Manager of Global Business Division, 1st Department Manager of Staff Department, Directors who are Audit and Supervisory Committee members (Full-time)
ESG Management Promotion Committee	A body to formulate basic ESG policies and strategies for the entire Group, promote various measures, and receive reports on matters delegated by subordinate subcommittees (Risk Management, Compliance, Human Rights/D&I)	Toshiki Nakayama, Chairman Hidemune Sugahara, President and CEO	Members	COOs of Business Companies, President of Major Group Companies, General Manager of Frontier Business Division, Global Business Headquarters Manager, 1st Department Manager of Staff Department, Directors who are Audit and Supervisory Committee members (Full-time)

Notes: 1. Directors who are not Audit and Supervisory Committee members, Mayumi Yamamoto, Shinichi Kawatani, and Yuko Tsukasaki, are Outside Directors.
2. Directors who are Audit and Supervisory Committee members, Osamu Hayakawa and Midori Mizutani, are Outside Directors.

2. Reasons for selecting the system

For the reasons stated below, by resolution of the 12th Ordinary General Meeting of Shareholders held on June 14, 2022, the Company transitioned from a company with a Board of Corporate Auditors to a company with an Audit and Supervisory Committee on July 1, 2022, aiming to further enhance corporate value by improving management soundness and transparency as well as prompting decision making.

- (1) The Audit and Supervisory Committee composed of Directors who are Audit and Supervisory Committee members having voting rights of the Board of Directors, is in charge of the audit of business execution by Directors, strives to enhance the governance system and internal audit system that are based on the philosophy of three lines of defense, and strengthen the cooperation between the Audit and Supervisory Committee and the Internal Audit Department thus enhancing the corporate governance.
- (2) The Directors who are Audit and Supervisory Committee members are members, as Directors, having voting rights of the Board of Directors. This thus improves the supervisory function across the management.
- (3) The Directors who are Audit and Supervisory Committee members are granted the right to express opinions concerning selection/dismissal and remuneration of Directors in the General Meeting of Shareholders, in accordance with Article 342-2, paragraph (4) and Article 361, paragraph (6) of the Companies Act. This means that the supervisory function is more enhanced, also in terms of the Companies Act, compared with a company with a Board of Corporate Auditors.
- (4) As per Article 399-13, paragraph (6) of the Companies Act, the Articles of Incorporation may specify that it is possible to delegate the determination of important business execution to a Director based on a resolution of the Board of Directors meeting. Keeping firmly in mind the status of business operation and governance functioning of the new consolidated company after the merger of the three companies, flexible operation will be made available in accordance with a resolution of the Board of Directors meeting.

3) Other matters concerning corporate governance

1. System to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation, and other systems to ensure the appropriateness of the business of the Company and the business of the corporate group consisting of the Company and its subsidiaries
Details of the resolution of the Board of Directors meeting as a system to ensure the appropriateness of business by the Company are as follows, and the Company is continuously making efforts to improve and enhance the system.
 - (1) System to ensure that the execution of duties by Directors and employees of a corporate group consisting of the Company and its subsidiaries (hereinafter referred to as the “corporate group”) complies with laws and regulations and the Articles of Incorporation
 - (A) The Company has established action guidelines as a code of conduct that regulates the officers and employees of the entire corporate group, disseminates the action guidelines to all officers and employees of the corporate group, and regulates their conduct.
Regarding the Directors, the Rules on the Board of Directors ensure the proper management of the Board of Directors, smooth communication, and monitoring of mutual business execution. Concerning important matters, it is intended to prevent a possible violation of laws and regulations and the Articles of Incorporation, and enhance supervision of management functions by receiving opinions or advice from external experts (such as lawyers).
When a Director has found a fact of conduct by another Director that is suspected to constitute a violation of laws and regulations and the Articles of Incorporation, he/she shall promptly report it to the Board of Directors and the Audit and Supervisory Committee to prevent or correct a possible violation.
 - (B) In the MIRAIT ONE Group: Charter on Safety and Compliance, etc., the Company stipulates that it shall strive to eliminate any relationship with antisocial forces by decidedly confronting antisocial forces and behaving with a resolute attitude.
 - (C) Under the ESG Management Promotion Committee, the Compliance Executive Committee, chaired by the officer of the Company responsible for compliance, is established. Each company of the corporate group arranges promotion staff in an effort to instill, maintain, and establish compliance awareness.
 - (D) For the purpose of ensuring the reliability of financial reports, the Company shall build an appropriate internal control system by observing the Financial Instruments and Exchange Act and related laws and regulations to maintain, evaluate, and correct the financial reports.

- (E) Each company in the corporate group shall establish a helpline (declaration/consultation contact) and make efforts to maintain and operate appropriate information transmission, in order to foster a more open corporate culture.
 - (F) With an intent to enhance the monitoring of effectiveness evaluation related to the establishment and operation status of the legal compliance system, the Internal Audit Department shall be expanded, and appropriate audit work shall be in practice. The evaluation results shall be reported to the Board of Directors and the Audit and Supervisory Committee.
- (2) System to store and manage information related to the execution of duties by Directors
- (A) Storage and management of information related to the execution of duties by Directors shall primarily contribute to proper and efficient business operations, and the following measures shall be taken.
 - (a) Establishing the Document Handling Rules, and the like, which stipulate necessary matters regarding storage and management of documents (including electromagnetic records; hereinafter referred to as “documents”) and other information.
 - (b) The storage (retention) period of documents shall be specified for each type of document in the “Document Handling Rules” unless otherwise specified by laws and regulations.
 - (B) When a Director has requested browsing of a document or the like, the document or the like shall be submitted without delay.
- (3) Rules and other systems related to the management of a risk of loss
- (A) Basic risk management items shall be specified, and the Risk Management Rules shall be established for proper and efficient business operations.
 - (B) Under the ESG Management Promotion Committee, the Risk Management Executive Committee, chaired by the officer of the Company responsible for compliance, is established to ensure the effectiveness of the risk management system.
 - (C) The Audit Department conducts monitoring of the validity evaluation of the maintenance and operation of the risk management system and the like. The evaluation results shall be reported to the Board of Directors and the Audit and Supervisory Committee.
- (4) System to ensure efficient execution of duties by Directors
- (A) The Board of Directors meeting is held regularly once a month in principle. On top of the matters stipulated by laws and regulations or the Articles of Incorporation, deliberation of important matters related to management shall be determined and reported in accordance with relevant laws and regulations, the principles of management decisions, and the duty of care of a good manager.
 - (B) For commissioning of business to Directors, thorough organizational management by appropriate responsibility sharing, and efficient business operations are being pursued based on internal rules such as the Organization/Business Allocation Rules that define the organizational structure and scope of business and the Responsibility Rules that define responsibilities and authorities.
 - (C) The duties of Outside Directors who are independent, and the like, are arranged to be executed efficiently at the Board of Directors, and the monitoring function for the execution of duties by other Directors is enhanced.
- (5) System to ensure the appropriateness of business in the corporate group
- The Company carries out transactions between companies of the corporate group in accordance with laws and regulations, and further takes the following measures in order for the corporate group to properly operate the business and contribute to its growth and development:
- (a) Establishing a system to report, to the Company, matters related to the execution of duties by Directors of subsidiaries or the like.
 - (b) Establishing a system to manage the risk of loss of a subsidiary and a system to contact the Company in the event of a risk.
 - (c) Establishing a system to ensure efficient execution of duties by Directors of subsidiaries or the like.
 - (d) Establishing a system to ensure that the execution of duties by Directors or the like and employees of subsidiaries complies with laws and regulations and the Articles of Incorporation.

- (6) Matters related to employees who are responsible for assisting with the duties of the Audit and Supervisory Committee
As an organization to assist the duties of the Audit and Supervisory Committee, the Audit and Supervisory Committee Office with dedicated staff is established, and employees are assigned.
- (7) Matters related to the independence of employees stipulated in the preceding item from the Directors (excluding Directors who are Audit and Supervisory Committee members)
Personnel appraisal and transfer, etc., of the employees stipulated in the preceding item are conducted by asking for the opinion of the Audit and Supervisory Committee in advance and based on the consent of the Committee.
- (8) Matters related to securement of effectiveness of instructions to the employees stipulated in the preceding item (6)
The employees who belong to the Audit and Supervisory Committee Office shall be under the command and instructions of the Audit and Supervisory Committee.
- (9) System for the Directors and employees of the Company to report to the Audit and Supervisory Committee
- (A) The Directors and employees of the Company shall promptly report to the Audit and Supervisory Committee each time they have grasped a fact regarding important matters that may influence the business or business performance of the corporate group and matters stipulated by laws and regulations.
- (B) Regardless of (A) above, the Audit and Supervisory Committee may request reports from Directors or the like at any time as appropriate.
- (10) System with which a Director, a Corporate Auditor or an employee of a subsidiary or those who have received a report from any of these persons reports to the Audit and Supervisory Committee of the Company
- (A) A Director, a corporate auditor or an employee of a subsidiary or those who have received a report from any of these persons shall promptly report to the Audit and Supervisory Committee of the Company each time they have grasped the fact regarding important matters that may influence the business or business performance of each company and matters stipulated by laws and regulations.
- (B) Regardless of (A) above, the Audit and Supervisory Committee of the Company may request a report from the Directors of a subsidiary at any time as appropriate.
- (11) System to ensure that the person who has submitted a report described in item (9) or (10) is not treated unfairly because of the report
Ensure that the person who has submitted a report described in item (9) or (10) is not treated unfairly because of the report.
- (12) Procedures for prepayment or redemption of expenses incurred in the execution of duties by an Audit and Supervisory Committee member and other matters related to policies regarding the processing of expenses or debts incurred in the execution of such duties.
The Company will properly process payments for expenses and debts incurred in the execution of duties by an Audit and Supervisory Committee member.
- (13) Other systems to ensure that an audit by the Audit and Supervisory Committee is conducted effectively
- (A) The Audit and Supervisory Committee members selected by the Audit and Supervisory Committee browse major approval documents and other important documents related to business execution, and as appropriate, a Director or the like responds promptly when requested to give explanations.
- (B) The Audit and Supervisory Committee members selected by the Audit and Supervisory Committee attend major conferences except for the Board of Directors meeting in order to grasp important decision-making processes and business execution status of the Company.
- (C) The Audit and Supervisory Committee members selected by the Audit and Supervisory Committee exchange opinions and information with Representative Directors, the Accounting Auditor, and the Internal Audit Department on a regular or on-demand basis to communicate with each other.

2. Operational status of the system to ensure the business appropriateness

The Company operates in accordance with the above systems, and the major efforts are as follows:

(1) Status of efforts to ensure that the execution of duties complies with laws and regulations and the Articles of Incorporation

The Group established the MIRAIT ONE Group: Charter on Safety and Compliance and is working to raise compliance awareness through compliance training and various activities conducted by compliance promotion staff. The Compliance Executive Committee deliberates on individual issues in the corporate group and manages the progress of compliance promotion activities. The Compliance Executive Committee is held twice in FY2024. In addition, the Internal Audit Department carries out monitoring to confirm the effectiveness of compliance promotion activities.

(2) Status of efforts related to management of risk of loss

The Company has established, by way of the Risk Management Rules, the basic policy and promotion system regarding risk management as a corporate group, and based on the risk management plan, responds appropriately to various risks.

The Risk Management Executive Committee deliberates on the status of risk management and individual issues in the corporate group. The Risk Management Executive Committee was held twice in FY2024.

Additionally, the effectiveness of risk management is confirmed through monitoring by the Internal Audit Department.

(3) Status of efforts to ensure efficient execution of duties by Directors

The Board of Directors meeting is held once a month and as required based on the Rules on the Board of Directors. The Board of Directors meeting was held 20 times in FY2024.

The Board of Directors deliberates on all matters to be submitted to the same based on the internal rules, actively exchanges opinions on each concern, and reports on the status of execution of duties by Directors on a quarterly basis. Furthermore, the Company also conducts an effectiveness evaluation of the Board of Directors to improve its functions.

In addition, based on the Corporate Governance Code, the Company has established a voluntary advisory committee, the Nomination and Compensation Committee, under the Board of Directors, in order to improve the objectivity regarding nomination and remuneration. In FY2024, the Committee convened seven times.

Independent Outside Directors hold regular meetings with the Representative Directors to enhance the monitoring function for the execution of duties by Directors.

(4) Status of efforts to ensure the appropriateness of operations in the corporate group

According to the Subsidiary Management Rules and the like, the Company strives to establish a system to ensure the appropriateness of the business of the corporate group. It also receives reports on its operational status and conducts monitoring by the Internal Audit Department.

The Company also manages important projects that have a significant impact on the entire corporate group upon receipt of reports from a subsidiary and subsequent discussions. At the same time, necessary measures are taken as a corporate group.

To identify compliance-related issues at an early stage and take appropriate action accordingly, the Company has established and operates a whistleblowing system, where reports are made to the Compliance Executive Committee.

(5) Status of internal audit efforts

The Audit Department (Internal Audit Department) conducts internal audits of all organizations and subsidiaries of the corporate group, monitoring the appropriateness of their operations in accordance with the internal audit plan approved by the Board of Directors. The results are reported to the Board of Directors, etc.

The Group established the Audit Department as an organization independent from the first and second lines, which conducts dual reporting to the Board of Directors and the Audit and Supervisory Committee, as well as internal audits based on the concept of a third-line defense.

(6) Status of efforts to ensure effective audits by the Audit and Supervisory Committee

In addition to inspecting important approval documents, etc., the Audit and Supervisory Committee members attend the Group Executive Committee and other important meetings to understand the important decision-making process and the status of business execution at the Company. In addition, the Audit and Supervisory Committee members communicate with Representative Directors and accounting auditors through exchanges of opinions, thereby ensuring that the audits of the Audit and Supervisory Committee members are conducted effectively.

The Audit and Supervisory Committee Office, which has full-time staff, has been established as an organization to assist the duties of the Audit and Supervisory Committee, and three employees have been assigned to this office.

3. Outline of the details of the liability limitation contract

Based on Article 427, paragraph (1) of the Companies Act, the Company has entered into a contract that limits liability for damage between the Company and its Directors (excluding Executive Directors, etc.).

The maximum amount of liability for damage that is based on the contract is the minimum liability limit stipulated in Article 425, paragraph (1) of the Companies Act.

The limitation of liability is permitted only when the Director is in good faith and without gross negligence in performing the duties that have caused the liability.

4. Number of Directors

The Company stipulates in the Articles of Incorporation that the number of Directors of the Company (including a Director who is an Audit and Supervisory Committee member) shall be 15 or fewer, and that the number of Directors of the Company who are Audit and Supervisory Committee members shall be 5 or fewer.

5. Requirements for resolution to appoint Directors

The Company stipulates in the Articles of Incorporation that the appointment of Directors shall be made by the resolution of the General Meeting of Shareholders, differentiating between Directors who are Audit and Supervisory Board Members and other Directors, that shall be made with attendance of shareholders accounting for at least one-third of the voting rights of shareholders entitled to exercise voting rights and shall require a majority of such votes cast in favor, and that the resolution shall never be via cumulative voting.

6. Matters to be resolved at the General Meeting of Shareholders that can be resolved by the Board of Directors meeting

The Company stipulates in the Articles of Incorporation that the following matters can be resolved by the Board of Directors meeting among the matters to be resolved at the General Meeting of Shareholders:

- Based on the provisions of Article 165, paragraph (2) of the Companies Act, regarding the acquisition of treasury stock, it is possible to acquire treasury stock through market transactions, etc., by a resolution of the Board of Directors meeting. This aims to enable agile capital policy implementation in response to changing economic conditions.
- For the purpose of increasing opportunities for profit distribution to shareholders, an interim dividend can be paid every year with September 30 as the record date by a resolution of the Board of Directors meeting pursuant to the provisions of Article 454, paragraph (5) of the Companies Act.
- In accordance with the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by a resolution of the Board of Directors meeting, exempt compensation responsibilities of Directors (including those who were Directors) for damages due to neglect of duties to the extent of laws and regulations.

- The Company may determine matters specified in the items of Article 459, paragraph (1) of the Companies Act, such as the flexible payment of dividends of surplus by a resolution of the Board of Directors meeting.
- In accordance with the Act for Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts (Law No. 70 of 2021), the Board of Directors may hold the General Meeting of Shareholders at a location not specified if the Board of Directors determines that it is not appropriate to hold the meeting at a specified location in light of the interests of shareholders due to the spread of infectious diseases or the occurrence of a natural disaster.

7. Special resolution requirements of the General Meeting of Shareholders

Regarding the special resolution requirements of the General Meeting of Shareholders stipulated in Article 309, paragraph (2) of the Companies Act, the Company stipulates in the Articles of Incorporation that a special resolution of the General Meeting of Shareholders shall be made with attendance of shareholders accounting for at least one third of the voting rights of the shareholders entitled to exercise voting rights, and with at least two-thirds of such votes cast in favor. This is intended to facilitate the smooth operation of the General Meeting of Shareholders by relaxing the quorum requirements for special resolutions at the General Meeting of Shareholders.

8. Related party transactions

The Company requires that competing transactions and transactions in conflict of interest by Directors are deliberated and resolved by the Board of Directors meeting, and reports on the status of transactions are periodically made to the Board of Directors.

The Board members are required to submit a Confirmation of Related Parties to ascertain whether there are any transactions with related parties, including the Board members themselves, their close relatives, organizations they represent, and organizations in which they hold a majority of voting rights.

Pursuant to the internal rules, approvers confirm whether transactions with major shareholders are appropriate so as to ensure the common interests of the Company and shareholders are not harmed, and report transactions of particular importance to the Board of Directors.

4) Status of activities of the Board of Directors

The Board of Directors meeting is held once a month, as required, based on the Rules on the Board of Directors. The Board of Directors deliberates on all matters to be submitted to the same based on the internal rules, actively exchanges opinions on each concern, and reports on the status of execution of duties by Directors on a quarterly basis. Furthermore, the Company also constantly conducts an effectiveness evaluation of the Board of Directors to improve its functions.

Status of major activities in the fiscal year ended March 31, 2025 is as follows:

(1) Composition of Officers of the Board of Directors

Position	Name	Attendance at meetings
Representative Director, President and CEO	Toshiki Nakayama	100% (20/20)
Representative Director and Vice President	Hidemune Sugahara	100% (15/15) (Note 1)
Representative Director	Yasushi Totake	100% (20/20)
Director	Tatsumi Miyazaki	100% (20/20)
Director	Yoichiro Takaya	100% (20/20)
Director	Hiroshi Wakimoto	100% (20/20)
Director	Takaaki Mitsuya	100% (20/20)
Director	Mayumi Yamamoto	95% (19/20)
Director	Shinichi Kawaratani	100% (20/20)
Director	Yuko Tsukasaki	95% (19/20)
Director	Masayuki Takahashi	100% (5/5) (Note 2)
Director	Katsuhiko Igarashi	100% (5/5) (Note 2)
Director	Hiroki Ohashi	100% (5/5) (Note 2)
Director	Yasuhiro Takagi	100% (5/5) (Note 2)
Director	Chiharu Baba	100% (5/5) (Note 2)
Director (Audit and Supervisory Committee Member)	Shinji Seo	100% (15/15) (Note 3)
Director (Audit and Supervisory Committee Member)	Chiaki Katsumaru (Chiaki Ishikawa)	100% (20/20)
Director (Audit and Supervisory Committee Member)	Osamu Hayakawa	100% (20/20)
Director (Audit and Supervisory Committee Member)	Yasuhiro Yamamoto	100% (5/5) (Note 4)
Director (Audit and Supervisory Committee Member)	Koji Aoyama	100% (5/5) (Note 4)
Director (Audit and Supervisory Committee Member)	Shigeru Suemori	60% (3/5) (Note 4)

- Notes: 1. Director Hidemune Sugahara was newly appointed as Director at the 14th Ordinary General Meeting of Shareholders held on June 25, 2024. The above describes the status of attendance at meetings of the Board of Directors held after his appointment as Director.
2. The term of office for Directors, Masayuki Takahashi, Katsuhiko Igarashi, Hiroki Ohashi, Yasuhiro Takagi, and Chiharu Baba, expired upon the conclusion of the 14th Ordinary General Meeting of Shareholders held on June 25, 2024. The above describes the status of attendance at meetings of the Board of Directors held during their term of office.
3. Director who is an Audit and Supervisory Committee member, Shinji Seo, was newly appointed as Director at the 14th Ordinary General Meeting of Shareholders held on June 25, 2024. The above describes the status of attendance at meetings of the Board of Directors held after his appointment as a Director.
4. The term of office for Directors who are Audit and Supervisory Committee members, Yasuhiro Yamamoto, Koji Aoyama, and Shigeru Suemori, expired upon the conclusion of the 14th Ordinary General Meeting of Shareholders held on June 25, 2024. The above describes the status of attendance at meetings of the Board of Directors held during their term of office.

(2) Status of implementation and details of major deliberations for the fiscal year ended March 31, 2025

The Board of Directors convened 20 times during the fiscal year ended March 31, 2025. Matters discussed include important matters such as sales strategies, matters regarding business growth strategies and medium- to long-term strategies of the Company and the Group, matters regarding the reconstruction and effective management policy of the risk management system of the entire Group such as internal controls and internal audits, sustainability-related matters, strategic shareholdings, status of IR activities, and shareholder returns (repurchase of treasury shares and dividends).

5) Status of activities of the Nomination and Compensation Committee

The Company has established the Nomination and Compensation Committee as a voluntary advisory committee under the Board of Directors, aiming to improve the independent and objective perspective, as well as transparency, in order to improve the objectivity regarding nomination and remuneration of Directors.

As of the filing date of this report (June 23, 2025), the Committee consists of four members: three independent Outside Directors and the Representative Director, President and CEO. The majority of the Committee members are independent Outside Directors, and the chairperson has been elected from independent Outside Directors through mutual election, so the Committee is fully independent.

The Committee receives inquiries as to matters related to proposals of the general meeting of shareholders for the appointment and dismissal of Directors, matters related to the executive compensation system, and the like. The Committee deliberates on the appropriateness of the content and submits a report for discussions of the proposal at the Board of Directors, which resolves the above matters based on the report.

Status of activities, etc., in the fiscal year ended March 31, 2025, is as follows:

(1) Composition of the Nomination and Compensation Committee

Position		Name	Attendance at meetings
Chairperson	Outside Director	Mayumi Yamamoto	100% (7/7)
Member	Outside Director	Shinichi Kawatani	100% (7/7)
Member	Outside Director	Yuko Tsukasaki	100% (7/7)
Member	Representative Director, President and CEO	Toshiki Nakayama	100% (7/7)
Chairperson	Outside Director	Chiharu Baba	100% (2/2) (Note)

Note: The term of office for Outside Director Chiharu Baba expired upon the conclusion of the 14th Ordinary General Meeting of Shareholders held on June 25, 2024. The above describes the status of attendance at meetings of the Nomination and Compensation Committee held during his term of office.

(2) Status of implementation in the fiscal year ended March 31, 2025

In the fiscal year ended March 31, 2025, the Nomination and Compensation Committee meeting was held seven times. With their extensive expertise and experience, the Committee members offered opinions and advice from the viewpoint of improving the medium-to-long-term corporate value, thereby strengthening and fulfilling their supervisory role.

(3) Details of major deliberations

In the fiscal year ended March 31, 2025, the Committee focused on discussing matters related to the succession plan for Representative Directors. During the nomination process for new Director candidates, the Committee enhanced the review process by thoroughly examining candidates' careers and the skill matrix, conducting interviews, and taking other measures. These efforts resulted in more in-depth deliberations regarding the appointment of candidates for Directors. As for remuneration, the Committee also deliberated on target setting for stock trust remuneration, performance-linked indicators, and other metrics to encourage officers' incentives and further improve corporate value.

(2) Directors and other officers

1) List of Directors and other officers

a. The Company's Directors and other officers as of June 23, 2025 (the filing date of this Annual Securities Report) are as follows.

Male: 10, Female: 3 (Ratio of female officers: 23%)

Position	Name	Date of birth	Career summary		Term of office	Number of shares held (hundred shares)
Representative Director, President and Chief Executive Officer	Toshiki Nakayama	January 29, 1958	Jun. 2012	Senior Vice President, General Manager of Frontier Services Department, NTT DOCOMO, INC.	(Note) 2	232
			Jul. 2013	Senior Vice President, General Manager of Smart-life Solutions Department, NTT DOCOMO, INC.		
			Jun. 2014	Executive Vice President, Executive General Manager of Smart-life Business Division, General Manager of Smart-life Solutions Department, NTT DOCOMO, INC.		
			Jun. 2015	Executive Vice President, Executive General Manager of Smart-life Business Division, NTT DOCOMO, INC.		
			Jun. 2016	Senior Executive Vice President, NTT DOCOMO, INC.		
			Jun. 2018	President and Chief Executive Officer, MIRAIT Corporation (presently the Company)		
				Senior Executive Vice President, MIRAIT Holdings Corporation (presently the Company)		
			Jun. 2020	President, MIRAIT Holdings Corporation (presently the Company)		
			Jun. 2021	President, General Manager of The Group Formation Preparation Office, MIRAIT Holdings Corporation (presently the Company)	(Note) 2	75
			Jul. 2022	Representative Director, President and Chief Executive Officer, MIRAIT ONE Corporation (to present)		
Representative Director, Executive Vice President	Hidemune Sugahara	July 2, 1962	Aug. 2006	Executive Manager of the Planning Department, NTT Resonant Incorporated		
			Jul. 2010	Head of IP Service, Net Business Division, NTT Communications Corporation		
			Aug. 2011	Head of Applications and Content, NTT Communications Corporation		
			Jun. 2016	Senior Vice President, Head of Second Sales Division, NTT Communications Corporation		
			Jun. 2018	President & CEO, NTT Com Solutions Corporation		
			Jun. 2019	Executive Vice President, Representative Member of the Board, NTT Communications Corporation		
			Jun. 2020	Senior Executive Vice President, Representative Member of the Board, NTT Communications Corporation		
			Jun. 2021	Representative Member of the Board, Senior Executive Vice President, NTT Communications Corporation		
			Jun. 2024	Representative Director, Executive Vice President, COO of Carrier Business East Company, MIRAIT ONE Corporation (to present)		

Position	Name	Date of birth	Career summary		Term of office	Number of shares held (hundred shares)
Representative Director, Senior Managing Executive Officer	Yasushi Totake	June 29, 1961	Jun. 2014	Senior Vice President, General Manager of the Service Management Department, Plant Headquarters, Nippon Telegraph and Telephone West Corporation	(Note) 2	134
			Jun. 2017	Senior Vice President and General Manager of the Network Department, Plant Headquarters, Nippon Telegraph and Telephone West Corporation		
			Jun. 2018	Executive Vice President and General Manager of the Network Department, Plant Headquarters, Nippon Telegraph and Telephone West Corporation		
			Jun. 2019	Director, MIRAIT Corporation (presently the Company) Director, MIRAIT Technologies Corporation (presently the Company) Director, Managing Executive Officer, General Manager of Emerging Business Office, MIRAIT Holdings Corporation (presently the Company)		
			Jun. 2020	President, MIRAIT Technologies Corporation (presently the Company) Director, MIRAIT Holdings Corporation (presently the Company)		
			Jun. 2021	Director, Assistant Manager of The Group Formation Preparation Office, MIRAIT Holdings Corporation (presently the Company)		
			Apr. 2022	Director, Assistant Manager of The Group Formation Preparation Office, Manager of Carrier West Company Establishment Preparation Group, The Organization Formation Preparation Office, MIRAIT Holdings Corporation (presently the Company)		
			Jul. 2022	Representative Director, Senior Managing Executive Officer, General Manager, and Chief of Business Structure Reform Promotion Office of Carrier Business West Company, MIRAIT ONE Corporation		
			Jun. 2023	Representative Director, Senior Managing Executive Officer, General Manager of Carrier Business West Company, MIRAIT ONE Corporation		
			Jun. 2024	Representative Director, Senior Managing Executive Officer, COO of Carrier Business West Company, MIRAIT ONE Corporation (to present)		

Position	Name	Date of birth	Career summary		Term of office	Number of shares held (hundred shares)
Director, Senior Managing Executive Officer	Tatsumi Miyazaki	January 12, 1962	Jul. 2006	Executive Officer and General Manager of Solution Promotion Department, Solution Business Headquarters, Nippon Telegraph and Telephone West Corporation	(Note) 2	102
			Jul. 2017	Executive Officer, General Manager of Tokyo Branch and Assistant General Manager of Solution Business Headquarters, MIRAITS Technologies Corporation (presently the Company)		
			Jun. 2018	Managing Executive Officer, General Manager of Tokyo Branch, Assistant General Manager of Solution Business Headquarters and General Manager of East Japan Business Unit, MIRAITS Technologies Corporation (presently the Company)		
			Jun. 2019	Director, Managing Executive Officer, General Manager of Tokyo Branch, Assistant General Manager of Solution Business Headquarters and General Manager of East Japan Business Unit, MIRAITS Technologies Corporation (presently the Company)		
			Jun. 2020	Director, Senior Managing Executive Officer, General Manager of Solutions Business Promotion Headquarters, MIRAITS Technologies Corporation (presently the Company)		
			Apr. 2022	Senior Managing Executive Officer, Manager of Solution Company Establishment Preparation Group, The Organization Formation Preparation Office and Manager of Future Business Promotion Headquarters Establishment Preparation Group, MIRAITS Holdings Corporation (presently the Company)		
			Jul. 2022	Director, Senior Managing Executive Officer, Co-Head of Solutions Business Company, MIRAITS ONE Corporation		
			Jan. 2023	Director, Senior Managing Executive Officer, Co-Head of Solutions Business Company, General Manager of Frontier Business Division, MIRAITS ONE Corporation		
			Jun. 2024	Director, Senior Managing Executive Officer, General Manager of Frontier Business Division, MIRAITS ONE Corporation (to present)		
Director, Senior Managing Executive Officer	Yoichiro Takaya	November 11, 1964	Jun. 2012	Vice President, Strategic Business Development Division, Nippon Telegraph and Telephone Corporation	(Note) 2	56
			Jun. 2015	General Manager of Fifth Sales Division, NTT Communications Corporation		
			Jun. 2017	Senior Vice President and General Manager of Fifth Sales Division, NTT Communications Corporation		
			Jun. 2019	Senior Vice President and General Manager of Third Sales Division, NTT Communications Corporation		
			Jun. 2020	Director, Managing Executive Officer, General Manager of Solution Business Unit and General Manager of Tohoku Reconstruction Support Office, MIRAITS Corporation (presently the Company)		
			Apr. 2022	Managing Executive Officer, Manager of Solution Company Establishment Preparation Group, The Organization Formation Preparation Office, MIRAITS Holdings Corporation (presently the Company)		
			Jul. 2022	Director, Managing Executive Officer, Co-Head of Solutions Business Company, MIRAITS ONE Corporation		
			Jun. 2024	Director, Senior Managing Executive Officer, COO of Solutions Business Company, MIRAITS ONE Corporation (to present)		

Position	Name	Date of birth	Career summary		Term of office	Number of shares held (hundred shares)
Director, Managing Executive Officer	Hiroshi Wakimoto	March 18, 1964	<p>Jun. 2012 General Manager of Planning and Coordination Office, NTT DOCOMO, INC.</p> <p>Jul. 2015 Director, mmbi, Inc. (presently NTT DOCOMO, INC.)</p> <p>Feb. 2016 President, mmbi, Inc.</p> <p>General Manager of Platform Business Promotion Department, NTT DOCOMO, INC.</p> <p>Jul. 2016 Executive Officer, General Manager of Corporate Planning Department and Strategy Department, MIRAIT Corporation (presently the Company)</p> <p>Jun. 2020 Executive Officer, General Manager of West Japan Branch, MIRAIT Corporation (presently the Company)</p> <p>Jun. 2021 Managing Executive Officer, General Manager of Kansai Branch, MIRAIT Corporation (presently the Company)</p> <p>Apr. 2022 Managing Executive Officer, Manager of Staff Organization Establishment Preparation Group, The Organization Formation Preparation Office, MIRAIT Holdings Corporation (presently the Company)</p> <p>Jul. 2022 Director, Managing Executive Officer, CHRO, General Manager of General Affairs and Human Resources Division, MIRAIT ONE Corporation (to present)</p>		(Note) 2	84
Director, Managing Executive Officer	Takaaki Mitsuya	November 15, 1964	<p>Jul. 2012 General Manager of Accounting & Finance Department, Nippon Telegraph and Telephone West Corporation</p> <p>Jul. 2015 General Manager of Shikoku Regional Headquarters and General Manager of Ehime Branch, Nippon Telegraph and Telephone West Corporation</p> <p>Jul. 2017 Executive Officer, Accounting Manager of Corporate Planning Department, MIRAIT Corporation (presently the Company)</p> <p>Jun. 2019 Executive Officer, Accounting Manager of Corporate Planning Department, MIRAIT Corporation (presently the Company);</p> <p>Executive Officer, General Manager responsible for Accounting & Finance Department, MIRAIT Holdings Corporation (presently the Company);</p> <p>Director, Shikokutsuken Co., Ltd.</p> <p>Jul. 2022 Executive Officer, Vice General Manager of Finance and Accounting Division, MIRAIT ONE Corporation</p> <p>May 2023 Director, Lantrovision (S) Ltd (to present)</p> <p>Jun. 2023 Director, Managing Executive Officer, CFO, MIRAIT ONE Corporation (to present)</p>		(Note) 2	69
Outside Director	Mayumi Yamamoto	February 11, 1956	<p>Apr. 1984 Registered as attorney at law</p> <p>Dec. 2010 Public Interest Member of the Central Labour Relations Commission</p> <p>Jan. 2019 Member of the Financial System Council, Financial Services Agency (to present)</p> <p>Jun. 2019 External Audit & Supervisory Board Member, Morinaga Milk Industry Co., Ltd. (to present)</p> <p>Jun. 2020 Director, MIRAIT Holdings Corporation (presently the Company)</p> <p>Apr. 2021 Member of the Labor Policy Council, Ministry of Health, Labour and Welfare (to present)</p> <p>Jun. 2021 Outside Director, JCU Corporation (to present)</p> <p>Jun. 2024 Outside Director, Chair of the Nomination and Compensation Committee, MIRAIT ONE Corporation (to present)</p> <p>Feb. 2025 Established Arc Law Firm (to present)</p>		(Note) 2	9

Position	Name	Date of birth	Career summary		Term of office	Number of shares held (Hundred shares)
Outside Director	Shinichi Kawaratani	June 26, 1955	Nov. 1988 Oct. 1997 Nov. 1999 Apr. 2007 Apr. 2011 Jan. 2014 Jun. 2021 Apr. 2025	President, Atlux Corporation (presently Fuyo Outsourcing & Consulting Inc.) General Manager of Information and Communications Division, New York Office, Nissho Iwai American Corporation (presently Sojitz Corporation of America) CEO, Entrepia Ventures, Inc. Assistant General Manager of Industrial Information Group, Sojitz Corporation Representative Director and President, Nissho Electronics Corporation Representative Director, VistaNet, Inc. Director, MIRAIT Holdings Corporation (presently the Company) (to present) Director and Chairman, VistaNet, Inc. (to present)	(Note) 2	37
Outside Director	Yuko Tsukasaki	April 17, 1961	Aug. 2007 Aug. 2009 Jul. 2010 Jul. 2011 Apr. 2012 Apr. 2015 Apr. 2016 Sept. 2018 Apr. 2020 Jul. 2022 Apr. 2024	Director, Gender Equality Promotion Division, Gender Equality Bureau, Cabinet Office Counselor for Policy Evaluation, Ministry of Health, Labour and Welfare Manager of Family Balance Department, Equal Employment, Children and Families Bureau, Ministry of Health, Labour and Welfare Counselor, National Public Service Ethics Board, National Personnel Authority Director, Life Planning Division, Remuneration Bureau, National Personnel Authority Director, General Affairs Division, Secretariat of the National Personnel Authority Professor, Chiiki Koso Kenkyujo, Taisho University (to present) Professor, Department of Regional Development, Taisho University Professor, Department of Public Policy, Faculty of Social Coexistence, Taisho University Director, MIRAIT ONE Corporation (to present) Professor, Department of Public Policy, Faculty of Regional Development, Taisho University (to present)	(Note) 2	18
Director (Audit and Supervisory Committee Member)	Shinji Seo	October 14, 1961	Apr. 1980 Jun. 2010 Jul. 2014 Jun. 2017 Jun. 2019 Jul. 2019 Jul. 2022 Apr. 2024 Jun. 2024	Joined Daimei Denwa Kogyo Corporation (presently the Company) General Manager of Construction Coordination Department, Procurement Division, Daimei Corporation (presently the Company) General Manager of Engineering Oversight Department, Solution Business Unit and Engineering and Service Unit, MIRAIT Corporation (presently the Company) Executive Officer, Assistant General Manager of Solution Business Unit and Engineering and Service Unit, General Manager of Engineering Oversight Department, MIRAIT Corporation (presently the Company) Director, Managing Executive Officer, Assistant General Manager of Second Solution Business Unit, General Manager of Engineering Oversight Department, MIRAIT Corporation (presently the Company) Director, Managing Executive Officer, General Manager of Safety and Quality Management Division, General Manager of General Coordination Department, MIRAIT Corporation (presently the Company) Managing Executive Officer, General Manager of Safety and Quality Control Division, MIRAIT ONE Corporation Managing Executive Officer, General Manager of Safety and Quality Control Division, General Manager of Business Risk Management Office, MIRAIT ONE Corporation Director, Audit and Supervisory Committee Member, MIRAIT ONE Corporation (to present)	(Note) 3	159

Position	Name	Date of birth	Career summary		Term of office	Number of shares held (Hundred shares)
Outside Director, Audit and Supervisory Committee Member	Chiaki Katsumaru (Chiaki Ishikawa)	August 4, 1960	Mar. 1986 Nov. 2002 Feb. 2006 Jun. 2018 Jul. 2022 Apr. 2023 Sept. 2024	Registered as Certified Public Accountant Outside Corporate Auditor, Anabuki Kosan Inc. Joined Certified Tax Accountant Firm Ishikawa Office Accounting (to present) Corporate Auditor, MIRAITS Holdings Corporation (presently the Company) Director, Audit and Supervisory Committee Member, MIRAITS ONE Corporation (to present) The Information Disclosure and Personal Information Protection Review Board member (to present) Outside Director, Anabuki Kosan Inc. (to present)	(Note) 3	58
Outside Director, Audit and Supervisory Committee Member	Osamu Hayakawa	December 24, 1963	Apr. 1987 Jan. 1999 Aug. 2000 Apr. 2005 Apr. 2008 Aug. 2011 Nov. 2011 Aug. 2012 Aug. 2014 Aug. 2016 Jul. 2018 Aug. 2020 Feb. 2021 May 2021 Jun. 2023 Jun. 2025	Employed by Metropolitan Police Department Chief of Meguro Police Station, Metropolitan Police Department Director of Police Administration of Saga Prefectural Police Director of Transportation General Affairs Division, Transportation Department of Metropolitan Police Department Counselor of Cabinet Intelligence and Research Office, Cabinet Secretariat Chief of Aomori Prefectural Police Headquarters Director of Community Education of National Police Academy Counselor, Secretariat of Government Revitalization Unit, Cabinet Office Director of Traffic Planning Division, Traffic Bureau of Metropolitan Police Department Deputy Director-General, Road Transport Bureau, Ministry of Land, Infrastructure, Transport and Tourism Chief of Chiba Prefectural Police Headquarters Chief of Kanto Regional Police Bureau Resigned from Metropolitan Police Department Advisor of Lawson, Inc. Director, Audit and Supervisory Committee Member, MIRAITS ONE Corporation (to present) Director, Japan Traffic Management Technology Association (to present)	(Note) 3	—
Total						1,038

- Notes: 1. Directors Mayumi Yamamoto, Shinichi Kawatani, Yuko Tsukasaki, Chiaki Katsumaru (Chiaki Ishikawa), and Osamu Hayakawa are Outside Directors.
2. The term of office of Directors is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2024, to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2025.
3. The term of office of Directors who are Audit and Supervisory Committee members is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2024, to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2026.
4. The Company adopts an executive officer system for the purpose of speeding up decision-making and business execution.
5. The Company has elected Director who is an Audit and Supervisory Committee member Shinji Seo as full-time Audit and Supervisory Committee member in order to enhance the effectiveness of the monitoring and supervisory functions by regularly conducting the following: the attendance at the important meetings such as the Group Executive Committee, hearings on the status of business execution from business execution divisions, close cooperation with the Audit Department which is the Internal Audit Department, onsite audits to business offices within the Company and its subsidiaries, and inspection of important approval documents, etc.

6. The Company has elected one substitute Director who is an Audit and Supervisory Committee member as prescribed in Article 329, paragraph (3) of the Companies Act in preparation for the possibility of the number of Directors who are Audit and Supervisory Committee members falling below the number prescribed in laws and regulations. The career summary of the substitute Director who is an Audit and Supervisory Committee member is as follows:

Name	Date of birth	Career summary		Number of shares held (Hundred shares)
Hideyuki Konno	August 2, 1954	Jul. 2012 Sept. 2013 Aug. 2016 Jun. 2018	Deputy Director of Bureau of Environment Senior Managing Director, Tokyotoshokuin Credit Cooperative President, TOKYO AID CENTER Co., Ltd. Corporate Auditor, MIRAIT Corporation (presently the Company)	—

Note: The term of office of Directors elected as substitutes for Directors who are Audit and Supervisory Committee members who retire before the expiration of their term of office is until the expiration of the term of office of the retired Directors who are Audit and Supervisory Committee members.

b. The Company has submitted the following proposals (proposals to be resolved) for the Ordinary General Meeting of Shareholders to be held on June 25, 2025: “Election of Ten Directors (excluding Directors who are Audit and Supervisory Committee Members) of MIRAITS ONE Corporation” and “Election of One Director who is an Audit and Supervisory Committee Member of MIRAITS ONE Corporation.” If these proposals are approved and passed, the Company’s Directors and other officers are expected to be as follows. Their positions and career summaries reflect the details of a matter (positions and career summaries) to be resolved by the Board of Directors meeting to be held immediately after the Ordinary General Meeting of Shareholders.

Male: 10, Female: 3 (Ratio of female officers: 23%)

Position	Name	Date of birth	Career summary		Term of office	Number of shares held (Hundred shares)
Representative Director, Chairman and Co-CEO	Toshiki Nakayama	January 29, 1958	Jun. 2012 Jul. 2013 Jun. 2014 Jun. 2015 Jun. 2016 Jun. 2018 Jun. 2020 Jun. 2021 Jul. 2022 Jun. 2025	Senior Vice President, General Manager of Frontier Services Department, NTT DOCOMO, INC. Senior Vice President, General Manager of Smart-life Solutions Department, NTT DOCOMO, INC. Executive Vice President, Executive General Manager of Smart-life Business Division, General Manager of Smart-life Solutions Department, NTT DOCOMO, INC. Executive Vice President, Executive General Manager of Smart-life Business Division, NTT DOCOMO, INC. Senior Executive Vice President, NTT DOCOMO, INC. President and Chief Executive Officer, MIRAITS Corporation (presently the Company) Senior Executive Vice President, MIRAITS Holdings Corporation (presently the Company) President, MIRAITS Holdings Corporation (presently the Company) President, General Manager of The Group Formation Preparation Office, MIRAITS Holdings Corporation (presently the Company) Representative Director, President and Chief Executive Officer, MIRAITS ONE Corporation Representative Director, Chairman and Co-CEO, MIRAITS ONE Corporation (to present)	(Note) 2	232
Representative Director, President, Co-CEO and COO	Hidemune Sugahara	July 2, 1962	Aug. 2006 Jul. 2010 Aug. 2011 Jun. 2016 Jun. 2018 Jun. 2019 Jun. 2020 Jun. 2021 Jun. 2024 Jun. 2025	Executive Manager of the Planning Department, NTT Resonant Incorporated Head of IP Service, Net Business Division, NTT Communications Corporation Head of Applications and Content, NTT Communications Corporation Senior Vice President, Head of Second Sales Division, NTT Communications Corporation President & CEO, NTT Com Solutions Corporation Executive Vice President, Representative Member of the Board, NTT Communications Corporation Senior Executive Vice President, Representative Member of the Board, NTT Communications Corporation Representative Member of the Board, Senior Executive Vice President, NTT Communications Corporation Representative Director, Executive Vice President, COO of Carrier Business East Company, MIRAITS ONE Corporation Representative Director, President, Co-CEO and COO, MIRAITS ONE Corporation (to present)	(Note) 2	75

Position	Name	Date of birth	Career summary		Term of office	Number of shares held (Hundred shares)
Representative Director, Senior Managing Executive Officer	Yasushi Totake	June 29, 1961	Jun. 2014	Senior Vice President, General Manager of the Service Management Department, Plant Headquarters, Nippon Telegraph and Telephone West Corporation	(Note) 2	134
			Jun. 2017	Senior Vice President and General Manager of the Network Department, Plant Headquarters, Nippon Telegraph and Telephone West Corporation		
			Jun. 2018	Executive Vice President and General Manager of the Network Department, Plant Headquarters, Nippon Telegraph and Telephone West Corporation		
			Jun. 2019	Director, MIRAITS Corporation (presently the Company) Director, MIRAITS Technologies Corporation (presently the Company) Director, Managing Executive Officer, General Manager of Emerging Business Office, MIRAITS Holdings Corporation (presently the Company)		
			Jun. 2020	President, MIRAITS Technologies Corporation (presently the Company) Director, MIRAITS Holdings Corporation (presently the Company)		
			Jun. 2021	Director, Assistant Manager of The Group Formation Preparation Office, MIRAITS Holdings Corporation (presently the Company)		
			Apr. 2022	Director, Assistant Manager of The Group Formation Preparation Office, Manager of Carrier West Company Establishment Preparation Group, The Organization Formation Preparation Office, MIRAITS Holdings Corporation (presently the Company)		
			Jul. 2022	Representative Director, Senior Managing Executive Officer, General Manager, and Chief of Business Structure Reform Promotion Office of Carrier Business West Company, MIRAITS ONE Corporation		
			Jun. 2023	Representative Director, Senior Managing Executive Officer, General Manager of Carrier Business West Company, MIRAITS ONE Corporation		
			Jun. 2024	Representative Director, Senior Managing Executive Officer, COO of Carrier Business West Company, MIRAITS ONE Corporation		
			Jun. 2025	Representative Director, Senior Managing Executive Officer, COO of Carrier Business West Company, MIRAITS ONE Corporation (to present)		

Position	Name	Date of birth	Career summary		Term of office	Number of shares held (Hundred shares)
Director, Senior Managing Executive Officer	Yoichiro Takaya	November 11, 1964	Jun. 2012 Jun. 2015 Jun. 2017 Jun. 2019 Jun. 2020 Apr. 2022 Jul. 2022 Jun. 2024 Jun. 2025	Vice President, Strategic Business Development Division, Nippon Telegraph and Telephone Corporation General Manager of Fifth Sales Division, NTT Communications Corporation Senior Vice President and General Manager of Fifth Sales Division, NTT Communications Corporation Senior Vice President and General Manager of Third Sales Division, NTT Communications Corporation Director, Managing Executive Officer, General Manager of Solution Business Unit and General Manager of Tohoku Reconstruction Support Office, MIRAITS Corporation (presently the Company) Managing Executive Officer, Manager of Solution Company Establishment Preparation Group, The Organization Formation Preparation Office, MIRAITS Holdings Corporation (presently the Company) Director, Managing Executive Officer, Co-Head of Solutions Business Company, MIRAITS ONE Corporation Director, Senior Managing Executive Officer, COO of Solutions Business Company, MIRAITS ONE Corporation (to present) Director, Senior Managing Executive Officer, Head of Solutions Business Company, MIRAITS ONE Corporation (to present)	(Note) 2	56
Director, Managing Executive Officer	Hiroshi Wakimoto	March 18, 1964	Jun. 2012 Jul. 2015 Feb. 2016 Jul. 2016 Jun. 2020 Jun. 2021 Apr. 2022 Jul. 2022	General Manager of Planning and Coordination Office, NTT DOCOMO, INC. Director, mmbs, Inc. (presently NTT DOCOMO, INC.) President, mmbs, Inc. General Manager of Platform Business Promotion Department, NTT DOCOMO, INC. Executive Officer, General Manager of Corporate Planning Department and Strategy Department, MIRAITS Corporation (presently the Company) Executive Officer, General Manager of West Japan Branch, MIRAITS Corporation (presently the Company) Managing Executive Officer, General Manager of Kansai Branch, MIRAITS Corporation (presently the Company) Managing Executive Officer, Manager of Staff Organization Establishment Preparation Group, The Organization Formation Preparation Office, MIRAITS Holdings Corporation (presently the Company) Director, Managing Executive Officer, CHRO, General Manager of General Affairs and Human Resources Division, MIRAITS ONE Corporation (to present)	(Note) 2	84
Director, Managing Executive Officer	Takaaki Mitsuya	November 15, 1964	Jul. 2012 Jul. 2015 Jul. 2017 Jun. 2019 Jul. 2022 May 2023 Jun. 2023	General Manager of Accounting & Finance Department, Nippon Telegraph and Telephone West Corporation General Manager of Shikoku Regional Headquarters and General Manager of Ehime Branch, Nippon Telegraph and Telephone West Corporation Executive Officer, Accounting Manager of Corporate Planning Department, MIRAITS Corporation (presently the Company) Executive Officer, Accounting Manager of Corporate Planning Department, MIRAITS Corporation (presently the Company); Executive Officer, General Manager responsible for Accounting & Finance Department, MIRAITS Holdings Corporation (presently the Company); Director, Shikokutsuken Co., Ltd. Executive Officer, Vice General Manager of Finance and Accounting Division, MIRAITS ONE Corporation Director, Lantrovision (S) Ltd (to present) Director, Managing Executive Officer, CFO, MIRAITS ONE Corporation (to present)	(Note) 2	69

Position	Name	Date of birth	Career summary		Term of office	Number of shares held (Hundred shares)
Director, Managing Executive Officer	Hiromasa Takaoka	August 18, 1965	Jun. 2015 Jun. 2017 Apr. 2020 Jul. 2022 Jun. 2023 Jun. 2024 Jun. 2025	Director, NTT DATA Corporation (presently NTT DATA JAPAN Corporation) Senior Vice President, Head of Customer Services, NTT Communications Corporation Member of the Board, Head of Managed & Security Services, Platform Service Division, NTT Communications Corporation Executive Vice President, General Manager of Healthcare Service Department, General Manager of Global Strategy Office, NTT DOCOMO, INC. Executive Vice President, Senior General Manager of Smart Life Business Company, Senior General Manager of Healthcare Service Department and Lifestyle Innovation Department, NTT DOCOMO, INC. Managing Executive Officer, General Manager of Safety and Quality Control Division, MIRAIT ONE Corporation Director, Managing Executive Officer, COO of Carrier Business East Company, MIRAIT ONE Corporation (to present)	(Note) 2	8
Outside Director	Mayumi Yamamoto	February 11, 1956	Apr. 1984 Dec. 2010 Jan. 2019 Jun. 2019 Jun. 2020 Apr. 2021 Jun. 2021 Jun. 2024 Feb. 2025	Registered as attorney at law Public Interest Member of the Central Labour Relations Commission Member of the Financial System Council, Financial Services Agency (to present) External Audit & Supervisory Board Member, Morinaga Milk Industry Co., Ltd. (to present) Director, MIRAIT Holdings Corporation (presently the Company) Member of the Labor Policy Council, Ministry of Health, Labour and Welfare (to present) Outside Director, JCU Corporation (to present) Outside Director, Chair of the Nomination and Compensation Committee, MIRAIT ONE Corporation (to present) Established Arc Law Firm (to present)	(Note) 2	9
Outside Director	Shinichi Kawaratani	June 26, 1955	Nov. 1988 Oct. 1997 Nov. 1999 Apr. 2007 Apr. 2011 Jan. 2014 Jun. 2021 Apr. 2025	President, Atlux Corporation (presently Fuyo Outsourcing & Consulting Inc.) General Manager of Information and Communications Division, New York Office, Nissho Iwai American Corporation (presently Sojitz Corporation of America) CEO, Entrepia Ventures, Inc. Assistant General Manager of Industrial Information Group, Sojitz Corporation Representative Director and President, Nissho Electronics Corporation Representative Director, VistaNet, Inc. Director, MIRAIT Holdings Corporation (presently the Company) (to present) Director and Chairman, VistaNet, Inc. (to present)	(Note) 2	37

Position	Name	Date of birth	Career summary		Term of office	Number of shares held (Hundred shares)
Outside Director	Yuko Tsukasaki	April 17, 1961	Aug. 2007	Director, Gender Equality Promotion Division, Gender Equality Bureau, Cabinet Office	(Note) 2	18
			Aug. 2009	Counselor for Policy Evaluation, Ministry of Health, Labour and Welfare		
			Jul. 2010	Manager of Family Balance Department, Equal Employment, Children and Families Bureau, Ministry of Health, Labour and Welfare		
			Jul. 2011	Counselor, National Public Service Ethics Board, National Personnel Authority		
			Apr. 2012	Director, Life Planning Division, Remuneration Bureau, National Personnel Authority		
			Apr. 2015	Director, General Affairs Division, Secretariat of the National Personnel Authority		
			Apr. 2016	Professor, Chiiki Koso Kenkyujo, Taisho University (to present)		
			Sept. 2018	Professor, Department of Regional Development, Taisho University		
			Apr. 2020	Professor, Department of Public Policy, Faculty of Social Coexistence, Taisho University		
			Jul. 2022	Director, MIRAITS ONE Corporation (to present)		
			Apr. 2024	Professor, Department of Public Policy, Faculty of Regional Development, Taisho University (to present)		
Director (Audit and Supervisory Committee Member)	Shinji Seo	October 14, 1961	Apr. 1980	Joined Daimei Denwa Kogyo Corporation (presently the Company)	(Note) 3	159
			Jun. 2010	General Manager of Construction Coordination Department, Procurement Division, Daimei Corporation (presently the Company)		
			Jul. 2014	General Manager of Engineering Oversight Department, Solution Business Unit and Engineering and Service Unit, MIRAITS Corporation (presently the Company)		
			Jun. 2017	Executive Officer, Assistant General Manager of Solution Business Unit and Engineering and Service Unit, General Manager of Engineering Oversight Department, MIRAITS Corporation (presently the Company)		
			Jun. 2019	Director, Managing Executive Officer, Assistant General Manager of Second Solution Business Unit, General Manager of Engineering Oversight Department, MIRAITS Corporation (presently the Company)		
			Jul. 2019	Director, Managing Executive Officer, General Manager of Safety and Quality Management Division, General Manager of General Coordination Department, MIRAITS Corporation (presently the Company)		
			Jul. 2022	Managing Executive Officer, General Manager of Safety and Quality Control Division, MIRAITS ONE Corporation		
			Apr. 2024	Managing Executive Officer, General Manager of Safety and Quality Control Division, General Manager of Business Risk Management Office, MIRAITS ONE Corporation		
			Jun. 2024	Director, Audit and Supervisory Committee Member, MIRAITS ONE Corporation (to present)		

Position	Name	Date of birth	Career summary		Term of office	Number of shares held (Hundred shares)
Outside Director, Audit and Supervisory Committee Member	Osamu Hayakawa	December 24, 1963	Apr. 1987	Employed by Metropolitan Police Department	(Note) 3	—
			Jan. 1999	Chief of Meguro Police Station, Metropolitan Police Department		
			Aug. 2000	Director of Police Administration of Saga Prefectural Police		
			Apr. 2005	Director of Transportation General Affairs Division, Transportation Department of Metropolitan Police Department		
			Apr. 2008	Counselor of Cabinet Intelligence and Research Office, Cabinet Secretariat		
			Aug. 2011	Chief of Aomori Prefectural Police Headquarters		
			Nov. 2011	Director of Community Education of National Police Academy		
			Aug. 2012	Counselor, Secretariat of Government Revitalization Unit, Cabinet Office		
			Aug. 2014	Director of Traffic Planning Division, Traffic Bureau of Metropolitan Police Department		
			Aug. 2016	Deputy Director-General, Road Transport Bureau, Ministry of Land, Infrastructure, Transport and Tourism		
			Jul. 2018	Chief of Chiba Prefectural Police Headquarters		
			Aug. 2020	Chief of Kanto Regional Police Bureau		
			Feb. 2021	Resigned from Metropolitan Police Department		
			May 2021	Advisor of Lawson, Inc.		
Jun. 2023	Director, Audit and Supervisory Committee Member, MIRAIT ONE Corporation (to present)					
Jun. 2025	Director, Japan Traffic Management Technology Association (to present)					
Outside Director, Audit and Supervisory Committee Member	Midori Mizutani	July 30, 1980	Aug. 2012	Registered as Certified Public Accountant	(Note) 3	—
			Sept. 2012	Registered as Tax Accountant		
			Jun. 2013	Established Mizutani Midori Accounting Office		
			Feb. 2015	Established Smart Plus Consulting Co., Ltd., Representative Director (to present)		
			Jun. 2015	Outside Audit and Supervisory Board Member, Human Metabolome Technologies, Inc.		
			Jun. 2017	Outside Director and Audit and Supervisory Committee Member, Human Metabolome Technologies, Inc.		
			Jun. 2019	Outside Corporate Auditor, GENETEC CORPORATION		
			Jul. 2019	Established Ginza Sphere Tax Accountant Corporation, Representative Partner (to present)		
			Sept. 2020	Registered as Administrative Scrivener		
			Apr. 2021	Outside Director, Confidence Inc. (presently Interworks Confidence Inc.) (to present)		
			Jun. 2021	Outside Director and Audit Committee Member, GENETEC CORPORATION (to present)		
			Jun. 2024	Outside Audit & Supervisory Board Member, Japan Elevator Service Holdings Co., Ltd. (to present)		
			Jun. 2025	Director, Audit and Supervisory Committee Member, MIRAIT ONE Corporation (to present)		
			Total			

- Notes: 1. Directors Mayumi Yamamoto, Shinichi Kawatani, Yuko Tsukasaki, Osamu Hayakawa, and Midori Mizutani are Outside Directors.
2. The term of office of Directors is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2025, to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2026.
3. The term of office of Directors who are Audit and Supervisory Committee members is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2024 (the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2025 for Midori Mizutani) to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2026.
4. The Company adopts an executive officer system for the purpose of speeding up decision-making and business execution.

5. The Company has elected Director who is an Audit and Supervisory Committee member Shinji Seo as full-time Audit and Supervisory Committee member in order to enhance the effectiveness of the monitoring and supervisory functions by regularly conducting the following: the attendance at the important meetings such as the Group Executive Committee, hearings on the status of business execution from business execution divisions, close cooperation with the Audit Department which is the Internal Audit Department, onsite audits to business offices within the Company and its subsidiaries, and inspection of important approval documents, etc.
6. The Company has elected one substitute Director who is an Audit and Supervisory Committee member as prescribed in Article 329, paragraph (3) of the Companies Act in preparation for the possibility of the number of Directors who are Audit and Supervisory Committee members falling below the number prescribed in laws and regulations. The career summary of the substitute Director who is an Audit and Supervisory Committee member is as follows:

Name	Date of birth	Career summary		Number of shares held (Hundred shares)
Hideyuki Konno	August 2, 1954	Jul. 2012 Sept. 2013 Aug. 2016 Jun. 2018	Deputy Director of Bureau of Environment Senior Managing Director, Tokyotoshokuin Credit Cooperative President, TOKYO AID CENTER Co., Ltd. Corporate Auditor, MIRAIT Corporation (presently the Company)	—

Note: The term of office of Directors elected as substitutes for Directors who are Audit and Supervisory Committee members who retire before the expiration of their term of office is until the expiration of the term of office of the retired Directors who are Audit and Supervisory Committee members.

2) Outside Directors

Outside Directors are nominated based on their ability to fulfill their roles and responsibilities from an expert and objective perspective, such as having abundant experience and knowledge in their respective fields, and providing advice and management supervision from the perspective of medium- to long-term enhancement of corporate value. Moreover, Outside Directors who are Audit and Supervisory Committee members are nominated based on their ability to increase transparency of the Board of Directors and enhance corporate value by appropriately monitoring the state of compliance with laws, regulations and the Articles of Incorporation regarding management decisions and execution of duties by Directors from an independent and objective standpoint with abundant experience and knowledge in their respective fields.

The Company has stipulated the following standard for determining independence of Outside Directors in the Company, and an Outside Director (including candidates therefor; the same applies below) is deemed to lack adequate independence if any of the following items apply.

Standard for Determining Independence

1. A person originally from the Company or a consolidated subsidiary of the Company (hereinafter referred to as “the Group”) (Note 1)
2. A major shareholder of the Company (Note 2)
3. A person who executes the business of a company, etc., that falls under any of the following items.
 - (1) A major business partner of the Group (Note 3)
 - (2) A major lender to the Group (Note 4)
 - (3) A company, etc., in which the Group holds 10% or more of shares on a voting right basis
4. A Certified Public Accountant who belongs to the auditing firm serving as the Group’s Accounting Auditor.
5. A consultant, accountant, tax accountant, attorney, judicial scrivener, patent attorney or other expert receiving a substantial amount (Note 5) of money or other property from the Group
6. A person who has received substantial donations from the Group (Note 6)
7. An executive of a company in a relationship mutually providing Outside Officers (Note 7)
8. A person whose close relative (Note 8) falls under any of items 1 through 7 above (limited to key personnel (Note 9) with the exception of items 4 and 5)
9. A person to whom any of items 2 through 8 have applied in the past three years
10. Notwithstanding the provisions of the preceding items, a person who is deemed to have another conflict of interest with the Company

- Notes:
1. A currently serving executive director, executive officer or other similar employee (hereinafter referred to as “executive”) or an executive who has served in the Group at any time in the past.
 2. A major shareholder is a shareholder who, as of the end of the Company’s fiscal year, holds 10% or more of shares on a voting right basis in his/her own name or the name of another person.
If the major shareholder is an organization such as a corporation or a partnership, this refers to an executive of such organization.
 3. A major business partner is a purchaser or supplier of the Group whose annual transactions with the Group exceed 3% of the Company’s consolidated sales or the supplier’s consolidated sales.
 4. A major lender is a financial institution from whom the Group borrows, and the balance of the borrowing exceeds 2% of the consolidated total assets of the Company or the consolidated total assets of the financial institution as of the end of the Company’s fiscal year.
 5. A substantial amount is defined as follows according to the relationship with the provision of services by the expert.
 - (1) If the expert provides services to the Group as an individual, the consideration received from the Group is a substantial amount if it exceeds 10 million yen per year.
 - (2) If the organization such as a corporation or a partnership to which the expert belongs provides services to the Group, the total amount of consideration received from the Group is a substantial amount if it exceeds 2% of the organization’s annual sales or total revenue. However, even if 2% is not exceeded, the amount is deemed to be a substantial amount if the amount received by the organization as consideration for services provided with the direct involvement of the expert exceeds 10 million yen per year.
 6. A person who has received donations from the Group exceeding 10 million yen per year. If the party receiving the donations is an organization such as a corporation or a partnership, this refers to a person who is directly involved in the research, education or other activities related to the donations among those who belong to the organization.
 7. A relationship in which an executive of the Group is an Outside Officer of another company, and an executive of the other company is an Outside Director of the Company.
 8. A close relative is a spouse or a relative within two degrees of relationship.
 9. Key personnel are Directors and executive officers.

Reason for election as Outside Officers and their activities

1. Outside Director Mayumi Yamamoto

She has advanced specialized knowledge and abundant experience concerning corporate legal affairs as an attorney at law, has served as a member of government councils such as a Public Interest Member of the Central Labour Relations Commission, and has remained appointed as Outside Director who is not an Audit and Supervisory Committee member to improve transparency of the Board of Directors and strengthen its supervisory functions because she is suitable for executing monitoring of the Company's management from an objective and specialized perspective.

Furthermore, she is expected to have a role in risk management, etc., related to business from a legal perspective, and has appropriately fulfilled this role through actions such as actively providing advice from this perspective in meetings of the Board of Directors and the Nomination and Compensation Committee, which she chairs.

She has been designated and registered as an independent officer with Tokyo Stock Exchange, Inc. because she satisfies the independence standard specified by the exchange and the Company's standard for determining independence.

She attended 19 meetings out of 20 meetings of the Board of Directors held during the current fiscal year, and asked appropriate questions and, as necessary, expressed opinions on management in general from an external position based on her experience and insight as an attorney at law.

2. Outside Director Shinichi Kawatani

He has been involved in business investment and the development of new businesses in the area of information and communications for many years, and has insight into the management of an information and communications company based on his experience as representative director and president of a company providing IT solutions. Furthermore, he has worked on the creation of a variety of new businesses in Japan and abroad as the CEO of his own venture capital company, and has extensive business experience overseas, including in the United States. His insight and knowledge of creating and developing new business in Japan and abroad, in addition to corporate management of a global business, make him suitable for the supervision of management of the Group, and because he can be expected to fulfill this role, he has remained appointed as Outside Director who is not an Audit and Supervisory Committee member to improve transparency of the Board of Directors and strengthen its supervisory functions.

He has been designated and registered as an independent officer with Tokyo Stock Exchange, Inc. because he satisfies the independence standard specified by the exchange and the Company's standard for determining independence.

He attended all 20 meetings of the Board of Directors held during the current fiscal year, and asked appropriate questions and, as necessary, expressed opinions on management in general from an external position based on his experience and insight as an officer of the other companies.

3. Outside Director Yuko Tsukasaki

She has served in key positions in the Ministry of Health, Labour and Welfare for many years, and also served as the Director of the Gender Equality Promotion Division of the Gender Equality Bureau in the Cabinet Office, and has advanced insight and extensive experience on topics such as the promotion of participation by women and diversity.

Furthermore, after retiring from office, she has taught as a professor at Taisho University, bringing extensive experience, advanced insight, and expertise in the areas of regional development and public policy.

Although she has not been involved in management of a company, she has been appointed as Outside Director who is not an Audit and Supervisory Committee member because the Company believes that she would be suitable as an Outside Director of the Company and can be expected to fulfill the role for further strengthening management supervision functions by utilizing her knowledge of a wide range of specialized areas obtained through drafting policy in government and utilizing her knowledge of regional development to promote ESG management in the Company, which builds and operates industrial and social infrastructure facilities.

She has been designated and registered as an independent officer with Tokyo Stock Exchange, Inc. because she satisfies the independence standard specified by the exchange and the Company's standard for determining independence.

She attended 19 out of 20 meetings of the Board of Directors held during the current fiscal year, and asked appropriate questions and, as necessary, expressed opinions on management in general from an external perspective, based on her experience and insight as an expert in public policy.

4. Outside Director (Audit and Supervisory Committee member) Chiaki Katsumaru (Chiaki Ishikawa)

She has served as a certified public accountant for many years, and has rich career and a high level of expert knowledge concerning corporate finance and accounting in major audit firms and accounting companies, and she has been appointed as Outside Director who is an Audit and Supervisory Committee member because she is a suitable choice for supervising the execution of the duties of Directors from a neutral and objective perspective.

She has been designated and registered as an independent officer with Tokyo Stock Exchange, Inc. because she satisfies the independence standard specified by the exchange and the Company's standard for determining independence.

She attended all 20 meetings of the Board of Directors held during the current fiscal year, and asked appropriate questions and, as necessary, expressed opinions on management in general from an external position based on her experience and insight as a certified public accountant.

She also attended all 11 meetings of the Audit and Supervisory Committee, reported on audits that she conducted according to the allocation of duties, asked appropriate questions about audits conducted by other Audit and Supervisory Committee members, and provided comments from an external position as necessary.

5. Outside Director (Audit and Supervisory Committee member) Osamu Hayakawa

He has excellent knowledge, expertise, and abundant experience concerning police administration, etc. The Company believes that he can provide appropriate supervision and advice in order to further strengthen the corporate governance, in particular compliance and risk management, as an Outside Director and Audit and Supervisory Committee member of the Company. He is a suitable choice for ensuring the transparency and fairness of business execution of the Company and increasing its effectiveness, and because he can be expected to fulfill this role, he has been appointed as an Outside Director who is an Audit and Supervisory Committee member.

He has been designated and registered as an independent officer with Tokyo Stock Exchange, Inc. because he satisfies the independence standard specified by the exchange and the Company's standard for determining independence.

He attended all 20 meetings of the Board of Directors held during the current fiscal year and asked appropriate questions and, as necessary, expressed opinions on management in general from an external position based on his experience and knowledge concerning police administration, etc.

He also attended all 11 meetings of the Audit and Supervisory Committee, reported on audits that he conducted according to the allocation of duties, asked appropriate questions about audits conducted by other Audit and Supervisory Committee members, and provided comments from an external position as necessary.

6. Outside Director (Audit and Supervisory Committee member) Midori Mizutani

She has expertise as a certified public accountant and tax accountant and extensive knowledge of finance, accounting, and tax affairs through her abundant experience, and serves as an audit committee member and audit & supervisory board member at two companies. The Company believes that she will fulfill a role in ensuring the adequacy and appropriateness of management by drawing on her specialized knowledge. She is suitable for supervising the execution of duties by Directors, and because she can be expected to fulfill this role, she has been appointed as an Outside Director who is an Audit and Supervisory Committee member.

She has been designated as an independent officer with Tokyo Stock Exchange, Inc. because she satisfies the independence standard specified by the exchange and the Company's standard for determining independence.

3) Mutual cooperation between Outside Directors and Outside Audit and Supervisory Committee members, in supervision or audits and internal audits, audits by Audit and Supervisory Committee members, and accounting audits, and relationship with the internal control department

Outside Directors receive reports from the Audit and Supervisory Committee and the Internal Audit Department (the internal control department) on their respective audit plans, audit status, and audit results at the Board of Directors' meetings, and express appropriate opinions.

Outside Audit and Supervisory Committee members seek to improve the efficiency and effectiveness of audits by mutually cooperating and exchanging opinions with the accounting auditor and the Internal Audit Department (internal control department), as stated in "(3) Audits, B. Activities of the Audit and Supervisory Committee, C. Activities of the Audit and Supervisory Committee members, and D. Dual reporting line with the Internal Audit Department."

(3) Audits

1) Audits by the Audit and Supervisory Committee

A. Organization and personnel

In accordance with the resolution of the 12th Ordinary General Meeting of Shareholders held on June 14, 2022, the Company transitioned from a company with a Board of Corporate Auditors to a company with an Audit and Supervisory Committee on July 1, 2022.

As of the filing date of this report (June 23, 2025), the Audit and Supervisory Committee of the Company consists of three members, including two independent Outside Directors (Audit and Supervisory Committee members), and one full-time Audit and Supervisory Committee member is selected to enhance the effectiveness of the monitoring and supervisory functions. Director and Audit and Supervisory Committee member Chiaki Katsumaru (Chiaki Ishikawa) is a certified public accountant. The Audit and Supervisory Committee Office has been established to assist the Audit and Supervisory Committee in its duties. The Company ensures the effectiveness of the Audit and Supervisory Committee's instructions by placing three full-time staff under the direction and orders of the said committee. For persona appraisals, transfers, and other actions, the Company enhances independence from operational departments by seeking the opinions of full-time Audit and Supervisory Committee members and obtaining their consent in advance.

For the six major domestic group companies, dedicated corporate auditors and Internal Audit Departments are assigned to conduct audits. For other domestic subsidiaries, 13 members of the Audit and Supervisory Committee Office of the Company are in charge of one to three companies each as corporate auditors. And corporate auditors concurrently serving in the other operational divisions of the Company, such as the Finance and Accounting Division, or assigned exclusively to each company, are assigned. In addition, the internal audit function is concentrated in the Audit Department, the Internal Audit Department of the Company, to strengthen the Group's governance by having the Audit Department conduct internal audits of subsidiaries, excluding major group companies, while accumulating audit knowledge.

In addition, the Company has submitted the proposal (proposal to be resolved) of "Election of One Director who is an Audit and Supervisory Committee Member of MIRAIT ONE Corporation" for the Ordinary General Meeting of Shareholders to be held on June 25, 2025. If this proposal is approved and passed, the Audit and Supervisory Committee will continue to consist of three members, including two independent Outside Directors (Audit and Supervisory Committee members).

B. Activities of the Audit and Supervisory Committee

In principle, the Audit and Supervisory Committee meets monthly and whenever necessary. During the current fiscal year, the committee met 11 times, with an average meeting duration of 1 hour and 27 minutes. The attendance of individual Directors who are Audit and Supervisory Committee members is as follows:

Status of attendance at meetings of the Audit and Supervisory Committee

Position	Name	Attendance at meetings
Director, Audit and Supervisory Committee member (Full-time)	Shinji Seo	100% (9/9) (Note 1)
Director, Audit and Supervisory Committee member (Full-time)	Yasuhiro Yamamoto	100% (2/2) (Note 2)
Director, Audit and Supervisory Committee member (Full-time)	Koji Aoyama	100% (2/2) (Note 2)
Director, Audit and Supervisory Committee member (Part-time / independent outside)	Chiaki Katsumaru (Chiaki Ishikawa)	100% (11/11)
Director, Audit and Supervisory Committee member (Part-time / independent outside)	Osamu Hayakawa	100% (11/11)
Director, Audit and Supervisory Committee member (Part-time / independent outside)	Shigeru Suemori	100% (2/2) (Note 2)

Notes: 1. Shinji Seo's attendance status covers the period after he took office on June 25, 2024.

2. The attendance status of Yasuhiro Yamamoto, Koji Aoyama, and Shigeru Suemori covers the period until their retirement on June 25, 2024.

Specifically, the following resolutions, discussions, and reports were made.

Matters to be resolved (13 items):	audit policy and plan of the Audit and Supervisory Committee, division of duties, audit report, appointment of Directors who are Audit and Supervisory Committee members, opinion of the Audit and Supervisory Committee on the appointment of Directors who are not Audit and Supervisory Committee members, reappointment of the accounting auditor, agreement on audit fees of the accounting auditor, etc.
Matters to be discussed (1 item):	remuneration for Directors who are Audit and Supervisory Committee members
Matters to be reported (73 items):	audit status by the Audit and Supervisory Committee members, exchange of opinions with Representative Directors, hearings with Directors, etc., audit plan and results by the accounting auditor, audit plan and results of internal audit, audit results of disclosure documents, inspection of authorized documents, reports from staff divisions, etc.

C. Activities of the Audit and Supervisory Committee members

The Audit and Supervisory Committee conducted audits by examining risks and issues in five areas of (1) Directors, (2) business execution, (3) subsidiaries, (4) internal audits, and (5) accounting audits. A summary of audit activities for each of these areas is as follows. The committee made suggestions and proposals to Directors and executive departments on matters recognized through these audit activities.

These audit activities are mainly carried out by the full-time Audit and Supervisory Committee members, and the details of these activities are reported and shared at the Audit and Supervisory Committee meetings. Outside Audit and Supervisory Committee members provide necessary opinions from the standpoint of independent officers at the Audit and Supervisory Committee meetings based on their respective expertise and knowledge.

Summary of audit activities

Subject	Occasions	Frequency and main activities	Full-time	Outside	Audit and Supervisory Committee
(1) Directors	Board of Directors	- Attendance at Board of Directors meetings (monthly)	●	●	—
		- Reporting on audit policy and audit plan			Resolution Reporting
		- Reporting on audit status (quarterly)			
		- Preliminary explanation hearing on proposals to be submitted to the Board of Directors meeting	—	●	—
(2) Business execution	Individual interviews	- Exchange of views with Representative Directors (quarterly in principle)	●	●	Reporting
		- Hearings with Directors (biannually)	●	● (some joined)	Reporting
	Meetings and committees	- Group Executive Committee (weekly)			—
		- ESG Management Promotion Committee, Risk Management Executive Committee, Compliance Executive Committee, Human Rights/D&I Committee (held as needed)	●		Reporting *as needed
	Individual interviews	- Business Companies' Executive Meeting, etc. (weekly)			—
		- Information exchange with Directors and Executive Officers, etc. (biannually) *Held concurrently with the hearings listed in (1) above.	●	● (some joined)	Reporting
	Important documents inspection	- Information exchange with General Managers of branch offices (as needed)			Reporting
		- Authorized documents, business reports, or other documents that may have a material effect on the Company's assets	●		Reporting

(3) Subsidiaries	Cooperation with the Group's auditors	<ul style="list-style-type: none"> - Group's auditors' liaison meeting (biannually) - Information sharing with auditors of subsidiaries 	•		— —
	Individual interviews	<ul style="list-style-type: none"> - Hearings with presidents of major group companies (annually) - Hearings with presidents of other group companies (as needed) 	•	• (some joined)	Reporting Reporting
(4) Internal audits	Regular meetings with the Internal Audit Department	<ul style="list-style-type: none"> - Audit plan (annually) - Status of implementation of audits (weekly) - Auditing results (quarterly) 	•		Reporting Reporting Reporting
(5) Accounting audits	Regular meetings with the Finance and Accounting Division	<ul style="list-style-type: none"> - Securities report (quarterly) - Accounting auditor evaluation and audit fees (as appropriate) 	•		Reporting Resolution
	Cooperation with the accounting auditor	<ul style="list-style-type: none"> - Briefing by the accounting auditor on auditing plan - Reporting on interim review, annual audit status, and audit results - Briefing on other disclosure matters (KAMs, internal control results, annual securities report, etc.) - Briefing on quality control system - Preliminary briefing on the provision of non-assurance services 	•	•	Reporting Reporting Reporting Reporting Reporting

The Audit and Supervisory Committee discussed Key Audit Matters (KAMs) with the accounting auditor, received reports on the status of audits by the accounting auditor, and requested explanations as necessary.

D. Dual reporting line with the Internal Audit Department

The Audit and Supervisory Committee has established a dual reporting line with the Internal Audit Department, as described below, and works in organic collaboration with the Internal Audit Department, sharing the status of implementation of audits in line with actual practices conducted by the Internal Audit Department, such as issues in the workflow, including construction implementation, and issues in the application of regulations detected in audits conducted by the Internal Audit Department. Based on the above, the Audit and Supervisory Committee conducts audits that focus on management's recognition of medium- and long-term issues, business prospects, risk recognition, and compliance issues, among other matters, through the aforementioned exchange of opinions with Representative Directors, hearings with Directors, and other means.

2) Internal audit status

A. Organization, personnel, and outline of activities

The Company established the Audit Department as a third-line organization, independent of the first-line (current business divisions, such as business companies and branches) and second-line (administrative divisions, such as staff organizations) of the three lines of defense, to conduct internal audits. As of March 31, 2025, the Audit Department had 20 employees.

In accordance with the Internal Audit Regulations and the audit plan approved by the Board of Directors, the Audit Department conducts internal audits of each organization of MIRAIT ONE and its subsidiaries (excluding major group companies) from an independent and objective standpoint. Specifically, the Audit Department evaluates compliance with laws, regulations, internal rules, and other relevant standards related to construction-related business processes and the execution of various operations, as well as the effectiveness of control procedures, and makes recommendations for improvement.

In addition, the Internal Audit Departments of major group companies conduct internal audits of each major group company and its subsidiaries. The group's Internal Audit Departments share information and collaborate on audit policies and implementation status to strengthen group governance.

The Audit Department also conducts the evaluation of internal control over financial reporting (J-SOX) based on the Financial Instruments and Exchange Act.

B. Dual reporting line to the Board of Directors and Audit and Supervisory Committee

The Audit Department conducts internal audits after receiving the Board of Directors' resolution on the internal audit plan. After the internal audit is conducted, the department submits a report on the results of the operational audit to the audited organization and reports the results to the Board of Directors on a quarterly basis.

In addition to the formulation of the audit plan and the reporting of the results of operational audits, the Audit Department has established a dual reporting line to the Board of Directors and the Audit and Supervisory Committee for J-SOX evaluations, as described below, and reports to the full-time Audit and Supervisory Committee members in a timely manner and performs its duties with their advice and coordination.

i) Internal audit plan formulation phase

The internal audit plan of the Audit Department, which is a matter to be resolved by the Board of Directors, shall be reviewed with the full-time Audit and Supervisory Committee members in advance, and necessary advice shall be received before the plan is submitted to the Board of Directors.

ii) J-SOX assessment scope selection phase

The selection of the scope of assessment for J-SOX, which is a matter to be resolved by the Board of Directors, shall be discussed with a full-time Audit and Supervisory Committee member, and necessary advice shall be received before the plan is submitted to the Board of Directors.

iii) Internal audit result reporting phase

The reporting of internal audit results is a matter to be reported to the Board of Directors on a quarterly basis. Before reporting the results, the report shall be reviewed with the full-time Audit and Supervisory Committee members, and necessary advice shall be received.

iv) Individual internal audit result reporting phase

Before submitting reports to the President and CEO and the heads of the organizations audited on the results of each organization's internal audits conducted in accordance with the internal audit plan, the Audit Department shall report them to the full-time Audit and Supervisory Committee members, receive advice and instructions on identified issues and about the organizations with which the reports are shared, and report to the executive side accordingly, making recommendations for improvement, etc.

3) Accounting audit status

A. Name of audit corporation

KPMG AZSA LLC

B. Continuous audit period

11 years

C. Certified public accountants who executed the independent audit

Designated limited liability partner, business execution partner, certified public accountant, Ryoichi Isashi

Designated limited liability partner, business execution partner, certified public accountant, Keiji Kobayashi

Designated limited liability partner, business execution partner, certified public accountant, Fumitaka Otani

D. Composition of assistants involved in accounting audit work

Certified public accountant 12 persons

Accountant exam passers, etc. 7 persons

Other 26 persons

E. Policy and reason for selecting an audit corporation

At the Company, the Audit and Supervisory Committee selected the accounting auditor by examining the appropriateness, independence, quality control system, as well as comprehensively judging the audit achievements and the degree of understanding of the business.

The Audit and Supervisory Committee will dismiss the accounting auditor by unanimous consent of all Audit and Supervisory Committee members if it determines that the accounting auditor falls under any of the dismissal events stipulated in the items of Article 340, paragraph (1) of the Companies Act.

In addition to the above cases, the Committee may decide the content of a proposal to the General Meeting of Shareholders for the dismissal or non-reappointment of the accounting auditor if it determines that the auditor is not appropriate as such based on a comprehensive consideration of the auditor's quality of audit, independence, and expertise.

In the event of the accounting auditor's dismissal, an Audit and Supervisory Committee member selected by the Committee will report the dismissal and its reasons at the first General Meeting of Shareholders convened after the dismissal.

F. Evaluation of the audit corporation by the Audit and Supervisory Committee

The Audit and Supervisory Committee has collected information on the appropriateness and independence of the accounting auditor, as well as the audit system, audit implementation status, audit quality, etc., and based on examination using the evaluation criteria established by the Audit and Supervisory Committee, has acknowledged the method and results of the audit by the accounting auditor as appropriate and has determined that reappointment is appropriate.

4) Details of audit fees, etc.

A. Audit fees paid to auditing certified public accountants, etc.

(Millions of yen)

Category	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	Fees for audit certification services	Fees for non-audit services	Fees for audit certification services	Fees for non-audit services
Reporting company	108	3	121	3
Consolidated subsidiaries	69	—	116	—
Total	177	3	237	3

Previous fiscal year:

Non-audit services provided to the Company include agreed-upon procedures engagements on materials for the business evaluation of the merger.

Current fiscal year:

Non-audit services provided to the Company include the preparation of comfort letters.

B. Audit fees paid to the same network (the KPMG Group) to which auditing certified public accountants, etc., belong (excluding fees specified in A above)

(Millions of yen)

Category	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	Fees for audit certification services	Fees for non-audit services	Fees for audit certification services	Fees for non-audit services
Reporting company	—	3	—	—
Consolidated subsidiaries	10	0	12	0
Total	10	3	12	0

Previous fiscal year:

Non-audit services provided to the Company include commissioned work to address Base Erosion and Profit Shifting (BEPS).

Non-audit services provided to the consolidated subsidiaries include agreed-upon procedures services.

Current fiscal year:

Non-audit services provided to the consolidated subsidiaries include supporting services for updating transfer pricing documentation.

C. Details of fees for other significant audit certification services

Not applicable.

D. Policy for determining audit fees

The Company determines audit fees for the auditing certified public accountants, taking into account the number of audit days and the details of audit services, among others. The Company determines audit fees with the consent of the Audit and Supervisory Committee as prescribed in Article 399 of the Companies Act.

E. Reasons for the Audit and Supervisory Committee's consent to fees for the accounting auditor

The Audit and Supervisory Committee determined the suitability of the audit schedule and the allocation of personnel specified in the accounting audit plan for the current fiscal year, as explained by the accounting auditor to the Audit and Supervisory Committee, and the suitability of the status of audit execution by the accounting auditor. The Audit and Supervisory Committee also examined and evaluated the accounting auditor's audit achievements for the previous fiscal year and verified the validity of the estimates used to calculate fees for the accounting auditor. As a result, the Audit and Supervisory Committee consented to the amount of fees for the accounting auditor.

(4) Remuneration of Directors and other officers

1) Basic policy

The total amount (limit) of Directors' remuneration (excluding Directors who are Audit and Supervisory Committee members. The same shall apply hereinafter.) is specified at the General Meeting of Shareholders after being approved by the Board of Directors, and the remuneration of individual Directors is determined using a remuneration system based on the roles and responsibilities of each position.

Furthermore, the policy on determination of the content of remuneration of individual Directors is deliberated upon by the Nomination and Compensation Committee (chaired by an independent Outside Director) comprising three independent Outside Directors and the President and CEO as an advisory body to the Board of Directors to improve objectivity and transparency, and the results are reported to the Board of Directors, which determines the policy based on the report.

Outside Directors who provide supervisory functions are only paid a monthly base remuneration for their duties.

2) Policy on determination of the amount of individual remuneration for base remuneration (monetary remuneration) (including the policy on determination of the timing or conditions of granting remuneration, etc.)

The total amount (limit) of individual Directors' remuneration is specified at the General Meeting of Shareholders after being approved by the Board of Directors. The base remuneration of individual Directors (excluding Outside Directors) is fixed monthly remuneration, of which the amount is obtained by dividing the annual salary based on the roles and responsibilities of each position by 15.

The standard bonus is equal to three months of fixed monthly remuneration (the amount remaining after deducting 30% to be allocated to the Board Benefit Trust performance-linked stock-based remuneration system (hereinafter referred to as "Board Benefit Trust") as described in section 3). The number of months of payment may vary based on a comprehensive consideration of the Company's performance in the previous fiscal year and the outlook for performance in the current fiscal year, the payment of employee special allowances, and individual performance evaluation of each Director.

The standard bonus is determined by the President and CEO and paid once a year in the summer, subject to reporting to the Nomination and Compensation Committee. The percentages of fixed remuneration and variable remuneration are generally around 80% (12/15) for the former and 20% (3/15) for the latter.

3) Policy on determination of the content of performance-linked remuneration and non-monetary remuneration, and the method of calculation of the amount or number thereof (including the policy on determination of the timing or conditions of granting remuneration, etc.)

With regard to performance-linked remuneration and non-monetary remuneration, the Board Benefit Trust has been introduced in order to clarify the connection between the remuneration of officers and the Company's performance and share price, and to raise awareness of contributions to the improvement of medium- to long-term performance and corporate value. Up to 150 million yen for the Company's Directors is contributed to the trust as funds for the trust to acquire the shares required for each period of three fiscal years in advance, and the maximum number of shares granted per fiscal year is equivalent to 33,000 shares (resolution of the 12th Ordinary General Meeting of Shareholders held on June 14, 2022).

4) Policy on determination of the percentages of the amount of monetary remuneration and the amount of performance-linked remuneration, etc., or the amount of non-monetary remuneration in relation to the amount of remuneration of individual Directors

Of the annual salary specified according to the roles and responsibilities of each position of Directors (excluding Outside Directors), the percentages of the amount of monetary remuneration and the amount of performance-linked remuneration, etc., are around 80% fixed remuneration and 20% variable remuneration, and 30% of the variable remuneration is allocated to the Board Benefit Trust, which is a form of non-monetary remuneration.

In consideration of insider trading regulations, etc., Directors (excluding Outside Directors) are required to contribute 10% or more of their monthly remuneration to the officers' shareholding association in order to increase awareness as management and awareness of the common goal of enhancing shareholder value. Therefore, these percentages are effectively 72% fixed remuneration, 28% variable remuneration, and 14% non-monetary remuneration (stock-based remuneration).

5) Matters related to the determination of the content of remuneration, etc., of individual Directors

The determination of remuneration of individual Directors is left to the discretion of the President and CEO, based on the assumption of preparation of proposals for individual remuneration and making a report to the Nomination and Compensation Committee, to the extent of the total amount resolved by the General Meeting of Shareholders based on a resolution of the Board of Directors.

The President and CEO entrusted with the decision prepares proposals for individual remuneration based on the policy for determining the content of remuneration for individual Directors, as resolved by the Board of Directors, and submits a report to the Nomination and Compensation Committee, which then determines the content.

6) Matters related to performance-linked remuneration and non-monetary remuneration

The Board Benefit Trust has been introduced in order to clarify the connection between the remuneration of Directors (excluding Outside Directors) and the Company's performance and share price, and to raise awareness of contributions to the improvement of medium- to long-term performance and corporate value.

The Company's consolidated operating profit, ROE, and ESG indicator achievement have been chosen as indicators for performance-linked remuneration that can easily be used to raise awareness of the contributions to performance of Group companies and the enhancement of corporate value. And, in accordance with the "Officer Stock Benefit Rules," the number of points granted is calculated by multiplying the base points set to allocate 30% of three months of monthly remuneration by the performance-linked coefficient based on the Company's consolidated operating profit, ROE, and ESG indicator achievement and one share is granted for each point at the time of retirement.

The consolidated operating profit target in the initial business plan for the current fiscal year was 27.0 billion yen. The actual result was 28.0 billion yen with ROE of 6.7%.

For more details of the scheme, please refer to "IV. Information about Reporting Company, 1. (8) Share ownership plan for Directors, other officers, and employees."

7) Matters related to resolutions at the General Meeting of Shareholders for remuneration of Directors

The total amounts of monetary remuneration of Directors who are not Audit and Supervisory Committee members and Directors who are Audit and Supervisory Committee members were resolved to be 400 million yen or less per year (including 50 million yen or less per year for Outside Directors) and 100 million yen or less per year, respectively, at the 12th Ordinary General Meeting of Shareholders held on June 14, 2022. The numbers of Directors who are not Audit and Supervisory Committee members and Directors who are Audit and Supervisory Committee members on the day this resolution came into effect were 14 (four of whom were Outside Directors) and five (three of whom were Outside Directors), respectively. Apart from the total amount of monetary remuneration of Directors above, the maximum amount of performance-linked stock compensation for three fiscal years was resolved to be 150 million yen for the Company's Directors who are not Audit and Supervisory Committee members (excluding Outside Directors) and the maximum number of shares to be granted per fiscal year was resolved to be equivalent to 33,000 shares at the 12th Ordinary General Meeting of Shareholders held on June 14, 2022. The number of Directors who are not Audit and Supervisory Committee members at the time this resolution came into effect was 10 (excluding Outside Directors).

8) Policy on determination of the content of remuneration of individual Directors

(A) Method of determining the policy on determination of the content of remuneration of individual Directors

The Nomination and Compensation Committee was consulted about the policy on determination of the content of remuneration of individual Directors (hereinafter referred to as the "Policy") and gave the opinion that the Policy is appropriate. The Board of Directors then resolved the Policy at its meeting held on November 1, 2022.

(B) The details of the Policy

The details of the Policy are as stated in "IV. Information about Reporting Company, 4. (4) Remuneration of Directors and other officers 1) to 5)."

(C) Reasons for the Board of Directors' decision that the content of remuneration of individual Directors for the current fiscal year is in line with the Policy

In determining remuneration of individual Directors, the proposals for remuneration of individual Directors prepared based on the Policy resolved by the Board of Directors meeting were reported to and consented to by the Nomination and Compensation Committee, comprising three independent Outside Directors and the President and CEO as an advisory body to the Board of Directors. The Board of Directors thus determined that the content of remuneration is in line with the Policy.

9) Matters related to delegation of determination of remuneration of individual Directors

The Board of Directors resolved at its meeting held on June 25, 2024 that the President and CEO Toshiki Nakayama is entrusted to decide on the amount of base remuneration and the amount of bonus based on performance of each fiscal year for individual Directors for the current fiscal year to the extent of the total amount resolved by the General Meeting of Shareholders based on the assumption of reporting to the Nomination and Compensation Committee. The reason for leaving the President and CEO to make the decision is that he is the most suitable choice for evaluating the execution of operations by individual Directors while taking a comprehensive view of the Company's entire business.

10) Total amount of remuneration by position, total amount for each class of remuneration, and number of recipients

Position	Total amount of remuneration (million yen)	Total amount for each class of remuneration (million yen)		Number of recipients (persons)
		Fixed remuneration	Performance-linked remuneration	
Directors (excluding Audit and Supervisory Committee members and Outside Directors)	249	203	46	11
Audit and Supervisory Committee members (excluding Outside Directors)	33	33	—	3
Outside Officers	59	59	—	7

11) Total amount of consolidated remuneration per officer

This information is not provided because there are no persons whose total amount of consolidated remuneration is 100 million yen or more.

(5) Shareholdings

1) Standard of and approach to classification of investment shares

If the purpose of investment falls under any of the following, the Group classifies such investments as investment shares for purposes other than pure investment. Investments made for other purposes are classified as pure investments.

- A. Maintaining or strengthening business relationships with the Company in which shares are held;
- B. Maintaining or strengthening cooperative relationships for the promotion of alliance operations; or
- C. Coordination for efficient construction work, etc.

2) Investment shares held for purposes other than pure investment

- a. Policy on holding shares, method of examining the rationality of shareholdings, and details of examination on whether the holding of specific shares is appropriate by the Board of Directors, etc.

A. Policy on holding shares

The Group holds shares when it is thought that holding the shares of a business partner will lead to the improvement of the Group's corporate value or the interests of shareholders. The Company checks the objectives of shareholding and the state of trading, and gradually reduces shares for which the meaning of shareholding is found to have diminished through quantitative and qualitative verification, such as by sale.

B. Method of examining the rationality of shareholdings

The Group performs quantitative and qualitative examination of the medium- to long-term economic rationality and future outlook of investment shares for purposes other than pure investment, based on factors such as the risks and returns.

C. Details of examination on whether the holding of specific shares is appropriate by the Board of Directors, etc.

The investment shares for purposes other than pure investment held by the Group are subject to investigation of the purpose of holding the shares and the status of transactions. Once every year, the Board of Directors performs a quantitative and qualitative examination of each stock regarding whether the risks and returns are commensurate with the capital cost, the purpose of holding the shares, future business trends, etc., to determine whether holding the shares is appropriate.

Shares that are considered to have little meaning to be held as a result of a review are sold as needed, taking into account factors such as the share price. Furthermore, the investment shares of the Group as a whole, for purposes other than pure investment, and the conditions for their reduction are managed through annual reviews. In the current fiscal year, nine stocks were sold in accordance with the above policy.

b. Number of stocks and carrying amounts on balance sheets

	Number of stocks	Total carrying amount on balance sheets (million yen)
Unlisted shares	31	505
Shares other than unlisted shares	27	4,074

Stocks whose number of shares increased during the current fiscal year

Not applicable.

Stocks whose number of shares decreased during the current fiscal year

	Number of stocks	Total sale amount relating to the decrease in the number of shares (million yen)
Unlisted shares	—	—
Shares other than unlisted shares	3	1,115

Note: Stock whose number of shares increased or decreased does not include changes due to the consolidation of shares, share split, share transfer, share swap, merger, etc.

c. Number and carrying amount on balance sheets of specified investment shares and deemed holdings of investment shares by stock

Specified investment shares

Stock	Current fiscal year	Previous fiscal year	Purpose of holding, overview of business alliance, quantitative effects of holding, and reasons for the increase in the number of shares	Whether the investee holds the Company's shares
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount on balance sheets (million yen)	Carrying amount on balance sheets (million yen)		
Nippon Telegraph and Telephone Corporation	4,560,000	4,560,000	The Company holds the entity's shares because the investee is one of the important customers contracting with the Company for construction works, and it can contribute to securing the construction orders received in the communication infrastructure domain in the medium term, etc.	No
	659	819		
Mizuho Financial Group, Inc.	149,351	149,351	The Company holds the entity's shares because the investee is one of our main banks, and it can contribute to the facilitation of financial transactions, etc., by strengthening the relationship with the entity.	No
	605	454		
Nippon Densetsu Kogyo Co., Ltd.	225,000	225,000	The Company holds the entity's shares because the investee is one of the important customers contracting with the Company for construction works, and it can contribute to securing the construction orders received in the enterprise/environmental social infrastructure domain in the medium term, etc.	Yes
	472	479		
KDDI Corporation	74,600	174,600	The Company holds the entity's shares because the investee is one of the important customers contracting with the Company for construction works, and it can contribute to securing the construction orders received in the communication infrastructure domain in the medium term, etc. Some shares were sold during the current fiscal year.	No
	352	782		
Mitsubishi UFJ Financial Group, Inc.	173,197	173,197	The Company holds the entity's shares because the investee is one of our main banks, and it can contribute to the facilitation of financial transactions, etc., by strengthening the relationship with the entity.	No
	348	269		
Fujikura Ltd.	51,000	51,000	The Company holds the entity's shares because the investee is one of the important customers engaged in procurement transactions with the Company, aiming to strengthen the relationship with the entity.	No
	275	116		
Sumitomo Electric Industries, Ltd.	84,000	84,000	The Company holds the entity's shares because the investee is one of the important customers engaged in procurement transactions with the Company, aiming to strengthen the relationship with the entity.	Yes
	207	197		
Hibiya Engineering, Ltd.	61,000	61,000	The Company holds the entity's shares because the investee is one of the important customers contracting with the Company for construction works, and it can contribute to securing the construction orders received in the enterprise/environmental social infrastructure domain in the medium term, etc.	Yes
	190	181		
Sumitomo Densetsu Co., Ltd.	32,300	32,300	The Company holds the entity's shares because the investee is one of the important customers contracting with the Company for construction works, and it can contribute to securing the construction orders received in the enterprise/environmental social infrastructure domain in the medium term, etc.	Yes
	156	108		

Stock	Current fiscal year	Previous fiscal year	Purpose of holding, overview of business alliance, quantitative effects of holding, and reasons for the increase in the number of shares	Whether the investee holds the Company's shares
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount on balance sheets (million yen)	Carrying amount on balance sheets (million yen)		
Mitsubishi Electric Corporation	50,000	50,000	The Company holds the entity's shares because the investee is one of the important customers contracting with the Company for construction works, and it can contribute to securing the construction orders received in the communication infrastructure domain in the medium term, etc.	No
	136	125		
Techfirm Holdings Inc.	200,000	200,000	The Company holds the entity's shares because the investee is one of the business partners with whom it has a business alliance for ICT solutions business, etc., aiming to strengthen the relationship with the entity.	No
	131	117		
Fuji Kyuko Co., Ltd.	50,000	50,000	The Company holds the entity's shares because the investee is one of the important customers contracting with the Company for construction works, and it can contribute to securing the construction orders received in the enterprise/environmental social infrastructure domain in the medium term, etc.	Yes
	112	197		
Pilot Corporation	23,000	23,000	The Company holds the entity's shares because the investee is one of the important customers contracting with the Company for construction works, and it can contribute to securing the construction orders received in the enterprise/environmental social infrastructure domain in the medium term, etc.	No
	95	91		
The Keiyo Bank, Ltd.	100,000	100,000	The Company holds the entity's shares because the investee is one of the important customers contracting with the Company for construction works, and it can contribute to securing the construction orders received in the enterprise/environmental social infrastructure domain in the medium term, etc.	No
	89	76		
Inaba Denki Sangyo Co., Ltd.	15,730	15,730	The Company holds the entity's shares because the investee is one of the important customers engaged in procurement transactions with the Company, aiming to strengthen the relationship with the entity.	No
	59	55		
Sakura Rubber Co., Ltd.	24,000	24,000	The Company holds the entity's shares because the investee is one of the important customers contracting with the Company for construction works, and it can contribute to securing the construction orders received in the enterprise/environmental social infrastructure domain in the medium term, etc.	Yes
	45	56		
Kobe Electric Railway Co., Ltd.	10,000	10,000	The Company holds the entity's shares because the investee is one of the important customers contracting with the Company for construction works, and it can contribute to securing the construction orders received in the enterprise/environmental social infrastructure domain in the medium term, etc.	No
	23	27		
Sumitomo Mitsui Trust Group, Inc.	6,066	6,066	The Company holds the entity's shares because the investee is one of our main banks, and it can contribute to the facilitation of financial transactions, etc., by strengthening the relationship with the entity.	No
	22	20		

Stock	Current fiscal year	Previous fiscal year	Purpose of holding, overview of business alliance, quantitative effects of holding, and reasons for the increase in the number of shares	Whether the investee holds the Company's shares
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount on balance sheets (million yen)	Carrying amount on balance sheets (million yen)		
Okinawa Cellular Telephone Company	4,000	4,000	The Company holds the entity's shares because the investee is one of the important customers contracting with the Company for construction works, and it can contribute to securing the construction orders received in the communication infrastructure domain in the medium term, etc.	No
	17	14		
Comsys Holdings Corporation	4,800	4,800	The Company holds the entity's shares for the purpose of coordination for efficient construction work, etc., in the communication infrastructure domain.	No
	15	17		
Exeo Group, Inc.	8,136	4,068	The Company holds the entity's shares for the purpose of coordination for efficient construction work, etc., in the communication infrastructure domain. The number of shares increased due to a 2-for-1 stock split of common stock on April 1, 2024.	No
	13	13		
NTT Data Corporation	5,000	35,000	The Company holds the entity's shares because the investee is one of the important customers contracting with the Company for construction works, and it can contribute to securing the construction orders received in the enterprise/environmental social infrastructure domain in the medium term, etc. Some shares were sold during the current fiscal year.	No
	13	84		
SoftBank Group Corp.	1,554	61,554	The Company holds the entity's shares because the investee is one of the important customers contracting with the Company for construction works, and it can contribute to securing the construction orders received in the communication infrastructure domain in the medium term, etc. Some shares were sold during the current fiscal year.	No
	11	551		
Odakyu Electric Railway Co., Ltd.	7,000	7,000	The Company holds the entity's shares because the investee is one of the important customers contracting with the Company for construction works, and it can contribute to securing the construction orders received in the enterprise/environmental social infrastructure domain in the medium term, etc.	No
	10	14		
Aoba-BBT Corporation (Aoba-BBT, Inc.)	20,000	20,000	The Company holds the entity's shares because the investee is one of the important customers, aiming to strengthen the medium-term relationship with the entity in the enterprise/environmental social infrastructure domain.	No
	6	7		
Aeon Co., Ltd.	612	612	The Company holds the entity's shares because the investee is one of the important customers contracting with the Company for construction works, and it can contribute to securing the construction orders received in the enterprise/environmental social infrastructure domain in the medium term, etc.	No
	2	2		
Nissan Tokyo Sales Holdings Co., Ltd.	1,000	1,000	The Company holds the entity's shares because the investee is one of the important customers contracting with the Company for construction works, and it can contribute to securing the construction orders received in the enterprise/environmental social infrastructure domain in the medium term, etc.	No
	0	0		

- Notes:
1. These companies are stated as the number of stocks of specified investment shares is 60 or less, although the carrying amount on balance sheets is 1% or less of the amount of share capital of the reporting company.
 2. Quantitative effects of holding are examined as stated in “2), B. Method of examining the rationality of shareholdings,” but information about such effects is not provided from the perspective of confidentiality, etc., with each of the business partners.
Deemed holdings of shares
Not applicable.
- 3) Investment shares held for pure investment
Not applicable.

V. Financial Information

1. Basis for Preparation of Consolidated Financial Statements and Financial Statements

- (1) The consolidated financial statements of MIRAIT ONE Corporation (the “Company”) are prepared in accordance with the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976; hereinafter the “Ordinance on Consolidated Financial Statements”), and are presented in accordance with the Ordinance for Enforcement of the Construction Business Act (Ordinance of the Ministry of Construction No. 14 of 1949).
- (2) Based on the provision of Article 2 of the Ordinance on the Terminology, Forms, and Preparation Methods of Financial Statements, etc. (Ordinance of the Ministry of Finance No. 59 of 1963), the financial statements of the Company are prepared in accordance with the said Ordinance and the Ordinance for Enforcement of the Construction Business Act (Ordinance of the Ministry of Construction No. 14 of 1949).

2. Audit Certificate

The Company’s consolidated financial statements and financial statements for the fiscal year from April 1, 2024, to March 31, 2025, were audited by KPMG AZSA LLC, in accordance with the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

3. Special Measures to Ensure the Appropriateness of Consolidated Financial Statements, etc.

As special measures to ensure the appropriateness of consolidated statements, etc., the Company has established a system that allows the Company to understand accounting standards properly and adapt to changes in accounting standards appropriately. Specifically, the Company has joined the Financial Accounting Standards Foundation, participates in seminars, and subscribes to accounting journals to provide education to ensure compliance with accounting standards, laws and regulations.

1. Consolidated Financial Statements, etc.

(1) Consolidated Financial Statements

1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	*4 50,036	*4 53,475
Notes receivable, accounts receivable from completed construction contracts and other	*2, *4 205,212	*2 222,859
Investments in leases	5,416	6,383
Costs on construction contracts in progress	*1, *5 31,097	*1, *5 29,174
Prepaid expenses	1,626	1,784
Accounts receivable - other	3,803	3,485
Other	*4 7,696	*4 4,279
Allowance for doubtful accounts	(237)	(247)
Total current assets	304,651	321,194
Non-current assets		
Property, plant and equipment		
Buildings and structures	*4 72,412	*4 74,432
Machinery, vehicles, tools, furniture and fixtures	*4 27,538	*4 26,237
Land	*7 36,114	*7 36,762
Leased assets	11,592	14,211
Construction in progress	1,620	2,519
Accumulated depreciation	(49,168)	(53,054)
Total property, plant and equipment	100,110	101,109
Intangible assets		
Customer related assets	29,900	32,105
Goodwill	38,570	37,585
Software	1,412	5,631
Software in progress	5,612	1,042
Other	169	217
Total intangible assets	75,666	76,582
Investments and other assets		
Investment securities	*4, *6 19,454	*4, *6 19,397
Retirement benefit asset	11,241	12,159
Deferred tax assets	3,396	270
Leasehold and guarantee deposits	2,655	3,272
Other	*4 3,142	*4 4,125
Allowance for doubtful accounts	(357)	(372)
Total investments and other assets	39,532	38,852
Total non-current assets	215,309	216,544
Total assets	519,960	537,739

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	64,011	66,481
Short-term borrowings	*4 75,148	*4 42,596
Lease obligations	3,539	4,463
Accounts payable - other	6,110	5,639
Income taxes payable	5,347	6,675
Advances received on construction contracts in progress	*3 11,261	*3 6,713
Provision for loss on construction contracts	*5 1,490	*5 1,636
Provision for loss on orders received	125	118
Provision for bonuses	10,920	10,962
Provision for bonuses for directors (and other officers)	152	121
Provision for warranties for completed construction	1,074	161
Provision for loss on closing subsidiaries and affiliates	—	681
Other	*3 13,490	*3 14,731
Total current liabilities	192,672	160,983
Non-current liabilities		
Bonds payable	—	30,000
Long-term borrowings	*4 31,003	*4 40,495
Lease obligations	7,402	9,937
Deferred tax liabilities	7,593	5,706
Deferred tax liabilities for land revaluation	*7 28	*7 28
Provision for retirement benefits for directors (and other officers)	97	53
Provision for share-based compensations	437	529
Retirement benefit liability	18,686	17,594
Asset retirement obligations	1,450	1,681
Other	500	852
Total non-current liabilities	67,199	106,879
Total liabilities	259,872	267,862
Net assets		
Shareholders' equity		
Share capital	7,000	7,000
Capital surplus	45,775	40,155
Retained earnings	190,849	201,526
Treasury shares	(3,793)	(2,934)
Total shareholders' equity	239,832	245,748
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,674	3,604
Revaluation reserve for land	*7 (85)	*7 (85)
Foreign currency translation adjustment	4,256	6,927
Remeasurements of defined benefit plans	4,301	5,305
Total accumulated other comprehensive income	12,146	15,753
Non-controlling interests	8,109	8,375
Total net assets	260,088	269,877
Total liabilities and net assets	519,960	537,739

2) Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	*1 518,384	*1 578,599
Cost of sales	*2, *4 456,601	*2, *4 493,748
Gross profit	61,782	84,851
Selling, general and administrative expenses	*3, *4 43,952	*3, *4 56,866
Operating profit	17,830	27,985
Non-operating income		
Interest income	328	320
Dividend income	377	412
Foreign exchange gains	379	—
Rental income from real estate	174	187
Surrender value of insurance policies	138	153
Other	334	535
Total non-operating income	1,734	1,610
Non-operating expenses		
Interest expenses	208	662
Share of loss of entities accounted for using the equity method	169	621
Foreign exchange losses	—	446
Commission expenses	119	33
Fair value adjustment of contingent consideration	181	—
Other	194	361
Total non-operating expenses	874	2,124
Ordinary profit	18,690	27,470
Extraordinary income		
Gain on sale of non-current assets	*5 190	*5 1,157
Gain on sale of investment securities	1,957	892
Other	108	65
Total extraordinary income	2,255	2,115
Extraordinary losses		
Loss on sale of non-current assets	*6 11	*6 222
Loss on retirement of non-current assets	*7 166	*7 144
Loss on valuation of investment securities	202	88
Loss on liquidation of subsidiaries and affiliates	—	*8 811
Other	77	357
Total extraordinary losses	457	1,624
Profit before income taxes	20,488	27,961

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Income taxes - current	7,749	10,707
Income taxes - deferred	(402)	(622)
Total income taxes	7,347	10,085
Profit	13,141	17,876
Profit attributable to		
Profit attributable to non-controlling interests	606	696
Profit attributable to owners of parent	12,535	17,179
Other comprehensive income		
Valuation difference on available-for-sale securities	969	(60)
Revaluation reserve for land	13	—
Foreign currency translation adjustment	1,357	2,404
Remeasurements of defined benefit plans, net of tax	2,714	989
Share of other comprehensive income of entities accounted for using the equity method	318	265
Total other comprehensive income	*9 5,374	*9 3,598
Comprehensive income	18,515	21,475
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,857	20,786
Comprehensive income attributable to non-controlling interests	658	688

3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,000	61,280	184,041	(12,329)	239,993
Changes during period					
Dividends of surplus			(5,727)		(5,727)
Profit attributable to owners of parent			12,535		12,535
Purchase of treasury shares				(7,537)	(7,537)
Disposal of treasury shares		9		561	571
Cancellation of treasury shares		(15,512)		15,512	—
Change in scope of consolidation					—
Change in ownership interest of parent due to transactions with non-controlling interests		(2)			(2)
Net changes in items other than shareholders' equity					
Total changes during period	—	(15,505)	6,807	8,536	(161)
Balance at end of period	7,000	45,775	190,849	(3,793)	239,832

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,729	(98)	2,555	1,638	6,824	7,487	254,305
Changes during period							
Dividends of surplus							(5,727)
Profit attributable to owners of parent							12,535
Purchase of treasury shares							(7,537)
Disposal of treasury shares							571
Cancellation of treasury shares							—
Change in scope of consolidation							—
Change in ownership interest of parent due to transactions with non-controlling interests							(2)
Net changes in items other than shareholders' equity	944	13	1,700	2,662	5,322	621	5,944
Total changes during period	944	13	1,700	2,662	5,322	621	5,782
Balance at end of period	3,674	(85)	4,256	4,301	12,146	8,109	260,088

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,000	45,775	190,849	(3,793)	239,832
Changes during period					
Dividends of surplus			(6,433)		(6,433)
Profit attributable to owners of parent			17,179		17,179
Purchase of treasury shares				(4,987)	(4,987)
Disposal of treasury shares		0		50	50
Cancellation of treasury shares		(5,795)		5,795	—
Change in scope of consolidation			(68)		(68)
Change in ownership interest of parent due to transactions with non-controlling interests		175			175
Net changes in items other than shareholders' equity					
Total changes during period	—	(5,619)	10,677	858	5,916
Balance at end of period	7,000	40,155	201,526	(2,934)	245,748

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,674	(85)	4,256	4,301	12,146	8,109	260,088
Changes during period							
Dividends of surplus							(6,433)
Profit attributable to owners of parent							17,179
Purchase of treasury shares							(4,987)
Disposal of treasury shares							50
Cancellation of treasury shares							—
Change in scope of consolidation							(68)
Change in ownership interest of parent due to transactions with non-controlling interests							175
Net changes in items other than shareholders' equity	(69)	—	2,671	1,004	3,606	266	3,872
Total changes during period	(69)	—	2,671	1,004	3,606	266	9,788
Balance at end of period	3,604	(85)	6,927	5,305	15,753	8,375	269,877

4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	20,488	27,961
Depreciation	8,511	11,264
Amortization of goodwill	1,750	2,488
Share of loss (profit) of entities accounted for using the equity method	169	621
Increase (decrease) in allowance for doubtful accounts	220	25
Increase (decrease) in provision for bonuses	1,401	41
Increase (decrease) in provision for loss on construction contracts	757	79
Increase (decrease) in other provisions	998	276
Increase (decrease) in remeasurements of defined benefit plans	2,662	1,004
Increase (decrease) in net defined benefit asset and liability	(3,850)	(2,010)
Interest and dividend income	(706)	(733)
Interest expenses	208	662
Foreign exchange losses (gains)	(349)	442
Loss (gain) on sale of investment securities	(1,957)	(892)
Loss (gain) on sale and retirement of non-current assets	(12)	(790)
Decrease (increase) in trade receivables	5,789	(15,614)
Decrease (increase) in costs on construction contracts in progress	799	2,104
Increase (decrease) in trade payables	(7,141)	1,614
Increase (decrease) in advances received on construction contracts in progress	5,950	(5,322)
Increase (decrease) in accrued consumption taxes	(7)	2,336
Decrease (increase) in consumption taxes refund receivable	134	1,541
Increase/decrease in other assets/liabilities	2,912	(1,021)
Other, net	754	(40)
Subtotal	39,485	26,040
Interest and dividends received	730	762
Interest paid	(211)	(664)
Income taxes paid	(6,379)	(8,088)
Net cash provided by (used in) operating activities	33,625	18,049
Cash flows from investing activities		
Payments into time deposits	(994)	(1,385)
Proceeds from withdrawal of time deposits	1,294	1,137
Purchase of property, plant and equipment	(6,009)	(5,694)
Proceeds from sale of property, plant and equipment	386	3,070
Purchase of intangible assets	(2,484)	(2,070)
Purchase of investment securities	(58)	(170)
Proceeds from sale of investment securities	2,592	1,249
Purchase of shares of subsidiaries resulting in change in scope of consolidation	*2 (49,863)	*2 (5,094)
Net decrease (increase) in short-term loans receivable	(261)	297
Proceeds from cancellation of insurance funds	161	233
Other, net	(307)	(942)
Net cash provided by (used in) investing activities	(55,545)	(9,370)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	53,496	(32,540)
Proceeds from long-term borrowings	—	10,000
Repayments of long-term borrowings	(50)	(644)
Proceeds from issuance of bonds	—	30,000
Purchase of treasury shares	(7,537)	(4,987)
Decrease (increase) in deposits for purchase of treasury shares	17	985
Dividends paid	(5,725)	(6,422)
Dividends paid to non-controlling interests	(155)	(100)
Repayments of finance lease obligations	(1,747)	(2,280)
Other, net	518	(423)
Net cash provided by (used in) financing activities	38,816	(6,412)
Effect of exchange rate change on cash and cash equivalents	720	1,066
Net increase (decrease) in cash and cash equivalents	17,617	3,333
Cash and cash equivalents at beginning of period	30,399	48,017
Cash and cash equivalents at end of period	*1 48,017	*1 51,350

Notes to Consolidated Financial Statements

Significant accounting policies for preparation of consolidated financial statements

1. Disclosure of scope of consolidation

A. Number of consolidated subsidiaries: 83

Name of major consolidated subsidiaries

The information is stated in “I. Overview of the Company, 4. Subsidiaries and Other Affiliated Entities.”

The scope of consolidation changed during the current fiscal year as follows.

- Since the Company acquired shares of Koyo Holdings Co., Ltd., the entity and its three subsidiaries (Koyo Engineering Co., Ltd., Koyo Telecommunications Co., Ltd., and one other entity) were included in the scope of consolidation. Koyo Telecommunications Co., Ltd. was removed from the scope of consolidation since it was dissolved due to an absorption-type merger in which Koyo Engineering Co., Ltd. was the surviving company.
- Futatsuyama Construction Co., Ltd. was removed from the scope of consolidation since it was dissolved due to an absorption-type merger in which its consolidated subsidiary of the Company, HOKUBU Co., Ltd., was the surviving company.
- As Meiji Consultant co., Ltd., a consolidated subsidiary of the Company, acquired all of the outstanding shares of Hokuto Design Co., Ltd., it was included in the scope of consolidation.
- As Lantrovision (S) Ltd, a consolidated subsidiary of the Company, sold all the shares of Lantro Myanmar Co. Ltd, it was removed from the scope of consolidation.
- Agility RISE Co., Ltd., M’s Frontier Corporation, TODENTSU Access Corporation, and Ligare Co., Ltd. were removed from the scope of consolidation, since they were dissolved due to an absorption-type merger in which Tohoken System Engineering Corp. (whose name was changed to MIRAIT ONE NEXT Corporation on January 1, 2025) was the surviving company.

B. Number of non-consolidated subsidiaries: 6

Name of major non-consolidated subsidiaries

MIRAIT PHILIPPINES INC.

Reason for exclusion from the scope of consolidation

The company is excluded from the scope of consolidation because it is small in scale, and has no material impact on consolidated financial statements in terms of the total amount of items including total assets, net sales, profit (loss) (amount proportionate to the Company’s equity interests), and retained earnings (amount proportionate to the Company’s equity interests).

2. Disclosure about application of the equity method

A. Number of non-consolidated subsidiaries accounted for using the equity method: 2

Name of major companies, etc.

MIRAIT PHILIPPINES INC.

B. Number of affiliates accounted for using the equity method: 11

Name of major companies, etc.

LBS Digital Infrastructure Corp.

The scope of the application of the equity method changed during the current fiscal year as follows.

- Kesennuma Green Energy INC. was removed from the scope of the application of the equity method because the Company sold its shares of the entity.

C. Name of non-consolidated subsidiaries and affiliates not accounted for using the equity method

Name of major companies, etc.

(Non-consolidated subsidiary) DAIMEI SLK (PRIVATE) LIMITED

(Affiliate) Shizai Linkcom Co., Ltd.

Reason for non-application of the equity method

The non-consolidated subsidiaries and affiliates not accounted for using the equity method were excluded from the scope of the equity method because such exclusion have minor impact on the consolidated financial statements in terms of the total amount of items including profit (loss) (amount proportionate to the Company’s equity interests) and retained earnings (amount proportionate to the Company’s equity interests), and is not material as a whole.

3. Disclosure about fiscal years, etc. of consolidated subsidiaries

Some consolidated subsidiaries, including MIRAIT Technologies Australia Pty. Limited and Lantrovision (S) Ltd, have a balance

sheet date of December 31. As the difference with the consolidated balance sheet date does not exceed three months, the financial statements of these subsidiaries with such fiscal year end are used. However, adjustments necessary in consolidation are made for material transactions that have occurred between the balance sheet date of these subsidiaries and the consolidated balance sheet date.

The balance sheet date of other consolidated subsidiaries is the same as the consolidated balance sheet date.

4. Disclosure of accounting policies

(1) Accounting policy for measuring significant assets

A. Securities

Available-for-sale securities

a. Securities other than shares, etc., that do not have a market price

Stated at fair value using the mark-to-market method (with any unrealized gain or loss being recognized directly in net assets and the cost of securities sold being determined using the moving-average method).

b. Shares, etc., that do not have a market price

Stated at cost using the moving-average method.

B. Inventories

a. Costs on construction contracts in progress

Stated at cost using the specific identification method.

b. Merchandise

Stated at cost using the moving average method (a method in which the carrying amount is written down based on any decline in profitability).

c. Raw materials and supplies

Stated primarily at cost using the moving average method (a method in which the carrying amount is written down based on any decline in profitability).

C. Derivatives

Stated at fair value using the mark-to-market method.

(2) Accounting policy for depreciation/amortization of significant depreciable assets

A. Property, plant and equipment (excluding leased assets)

Depreciated primarily by using the declining-balance method. However, buildings (except for facilities attached to buildings) acquired by the Company on or after April 1, 1998, facilities attached to buildings and structures acquired on or after April 1, 2016, and assets and solar power generation facilities for the data center business are depreciated on a straight-line basis. Minor depreciable assets with an acquisition cost of 100,000 yen or more but less than 200,000 yen are depreciated on a straight-line basis over three years.

The principal useful lives are as follows:

Building: 5 to 65 years

Others: 2 to 50 years

Assets acquired on or before March 31, 2007, are depreciated on a straight-line basis over five years from the fiscal year following the completion of depreciation to the depreciable limit, and such depreciation is recorded in Depreciation.

B. Intangible assets (excluding leased assets and goodwill)

Amortized on a straight-line basis.

Software for internal use is amortized on a straight-line basis over the estimated useful lives of 5 to 7 years.

Customer-related assets are amortized on a straight-line basis over a period for which it is expected to bring benefit (10 to 20 years).

C. Leased assets (leased assets in finance lease transactions that do not transfer ownership)

Depreciated on a straight-line basis using the lease term as the useful life and with zero residual value.

Overseas consolidated subsidiaries prepare financial statements in accordance with International Financial Reporting Standards (IFRS), and have applied IFRS 16 “Leases” (hereinafter referred to as “IFRS 16”). Under IFRS 16, as a general rule, lessees recognize all leases as assets and liabilities on the balance sheet, and the capitalized right-of-use assets are depreciated on a straight-line basis.

(3) Accounting policy for significant provisions and allowance

A. Allowance for doubtful accounts

To provide for potential credit losses on receivables, allowance for doubtful accounts is recorded at an amount of estimated uncollectible receivables calculated based on the historical rate of credit loss for general receivables and determined individually for other receivables, such as doubtful receivables and distressed receivables, by considering each of their collectability.

B. Provision for loss on construction contracts

To provide for future losses on construction contracts, a provision for loss on construction contracts is recorded in the amount of estimated losses for uncompleted construction contracts at the end of the current fiscal year that are likely to incur losses and for which the amount of losses can be reasonably estimated.

C. Provision for loss on orders received

To provide for future losses on projects based on orders received, a provision for loss on orders received is recorded in the amount of estimated losses for uncompleted projects at the end of the current fiscal year that are likely to incur losses and for which the amount of losses can be reasonably estimated.

D. Provision for bonuses

To provide for the payment of bonuses to employees, a provision for bonuses is recorded based on the estimated amount to be paid for the current fiscal year.

E. Provision for bonuses for Directors (and other officers)

At certain consolidated subsidiaries, to provide for the payment of bonuses to officers, a provision for bonuses for Directors (and other officers) is recorded based on the estimated amount to be paid for the current fiscal year.

F. Provision for warranties for completed construction

To provide for the costs of warranty against defects in completed construction, a provision for warranties for completed construction is recorded at an amount calculated based on the historical rate of warranty claims over a certain period of time in the past, and at an amount determined individually for specific constructions.

G. Provision for loss on closing subsidiaries and affiliates

To provide for losses on closing subsidiaries and affiliates, a provision for loss on closing subsidiaries and affiliates is recorded in the amount of estimated losses at the end of the current fiscal year.

H. Provision for retirement benefits for Directors (and other officers)

At certain consolidated subsidiaries, to provide for the payment of retirement benefits to officers, a provision for retirement benefits for Directors (and other officers) is recorded based on the estimated retirement benefits payable at the end of the current fiscal year in accordance with their internal rules.

I. Provision for share-based compensation

To provide for the delivery of shares of the Company by the Board Benefit Trust to the Directors and Executive Officers of the Company and certain consolidated subsidiaries, a provision is recorded at an estimated amount of share-based compensation based on the number of points allocated to officers in accordance with the Officer Stock Benefit Rules.

(4) Accounting policy for retirement benefits

To provide for the payment of retirement benefits to employees, the amount of retirement benefit obligations minus plan assets is recorded as retirement benefit liability or retirement benefit asset, based on the estimated amounts at the end of the current fiscal year.

A. Method of attributing estimated retirement benefits to accounting periods

In calculating retirement benefit obligations, the benefit formula basis is used to attribute the estimated amount of retirement benefits to periods up to the current fiscal year.

B. Method of accounting for actuarial gains and losses and past service cost

Actuarial gains and losses are amortized on a straight-line basis over a certain number of years (5 to 14 years) within the average remaining service period of employees at the time of recognition, from the fiscal year following the respective fiscal year of recognition.

Past service cost is amortized on a straight-line basis over a certain number of years (10 to 14 years) within the average remaining service period of employees at the time of recognition.

C. Application of the simplified method for small businesses

In calculating their retirement benefit liability and retirement benefit expenses, some consolidated subsidiaries apply a simplified method in which the necessary retirement benefit provisions for voluntary resignations at the end of the fiscal year are recognized as retirement benefit obligations.

(5) Accounting policy for recognition of significant revenues and expenses

The details of the main performance obligations in the major businesses related to revenue from contracts with the Group's customers and the timing at which the Group typically satisfies these performance obligations (when it typically recognizes revenue) are as follows:

A. Contracted work

Contracted work mainly includes telecommunications work (communication infrastructure business), construction work and spatial information consulting business (environmental and social innovation business), and telecommunications equipment installation work and software development (ICT solutions business), for which we conclude a contract.

Performance obligations for these contracts are deemed to be satisfied over time, and revenue is recognized based on the progress toward satisfaction of the performance obligation.

The progress of the work is measured for each contract based on the proportion of costs incurred to fulfill performance obligations by the end of the period to the total expected costs. In some circumstances, the Group may not be able to reasonably measure the progress of a performance obligation, but expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Group recognizes revenue only to the extent of the costs recovered until such time that it can reasonably measure the progress of the performance obligation.

For construction contracts and custom software development with a very short period of time between the transaction commencement date and the time when the performance obligation is expected to be fully satisfied, an alternative treatment is applied. Revenue of such contracts is not recognized over a certain period of time but is recognized when the performance obligation is fully satisfied.

Consideration for transactions in contracted work is generally received within approximately two months after the customer's acceptance. Such transactions do not contain a significant financing component. If the consideration of the contract with the customer includes a variable consideration, it is included in the transaction price only to the extent that it is highly unlikely to cause a significant reduction in the accumulated amount of revenues recognized when the uncertainty related to variable consideration is subsequently resolved.

B. Sale of goods

The sale of goods mainly includes the sale of information and telecommunications equipment (ICT solutions business). Revenue is recognized when the goods are delivered to the customer, whereby the Company transfers control over the goods to the customer and satisfies the performance obligations.

There are some information and telecommunications equipment and office supplies in which the entire process of manufacturing, shipping and delivery is performed by other parties, and the Group does not have any inventory risk or discretion in establishing prices. Since performance obligations of the Group for such goods are to arrange for the goods to be provided by such other parties and, therefore, the Group considers that it is acting as an agent in the transactions, and recognizes revenue at the net amount after deducting the amount that is paid to the supplier of such goods from the amount received from customers.

Consideration for transactions involving the sale of goods is generally received within approximately three months after the delivery of the goods. Such transactions do not contain a significant financing component or a significant amount of variable consideration.

C. Contracted services

Contracted services mainly include maintenance and inspection of telecommunications facilities (communication infrastructure business). Revenue is recognized at a specific point in time, i.e., upon completion of service provision, whereby the Group transfers control over services to customers and satisfies its performance obligations.

Consideration for transactions involving contracted services is generally received within approximately two months after the completion of the services. Such transactions do not contain a significant financing component or a significant amount of variable consideration.

(6) Accounting policy for goodwill

Goodwill is amortized on a straight-line basis over 5 to 20 years.

(7) Scope of cash and cash equivalents in consolidated statement of cash flows

Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, demand deposits, and short-term investments with a maturity of three months or less from the date of acquisition, which are readily convertible into cash and exposed to only an insignificant risk of fluctuation in value.

(8) Other significant accounting policies for preparation of consolidated financial statements

Adoption of the Group Tax Sharing System

The Company and some of its Japanese consolidated subsidiaries have adopted the Group Tax Sharing System.

Significant accounting estimates

1. Net sales recognized over time

(1) Amounts recorded in the consolidated financial statements for the current fiscal year

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	169,821	228,423

(2) Other information that helps users of the consolidated financial statements better understand the details of the accounting estimates

1) Calculation method for the amount recorded in the consolidated financial statements for the current fiscal year

Revenue is recognized based on the progress toward satisfaction of a performance obligation.

The progress of the contracted work is measured for each contract based on the proportion of costs incurred to fulfill performance obligations by the end of the period to the total expected costs. Net sales are calculated by multiplying the total revenue by such degree of progress.

2) Major assumptions used in the calculation of the amount recorded in the consolidated financial statements for the current fiscal year

• Total cost

The total cost is estimated based on the budget for each contracted work. A budget is formed by compiling information about unit prices and quantities of materials and subcontracting services according to construction methods, specifications, and work processes. After the project begins, we revise the estimate of total cost in a timely and appropriate manner by continuously comparing the preliminary estimate based on the budget with actual results.

• Total revenue

The contracted amount equals the total revenue, provided, however, that if the contract is revised due to new agreements made between the Company and the customer during the ongoing contracted work and the revised amount is yet to be determined, the Company takes into consideration the business environment, the status of the work, and discussions with the customer, among others, and makes reasonable estimates only to the extent that it is highly unlikely to cause a significant reduction in the accumulated amount of revenues recognized when the uncertainty related to variable consideration is subsequently resolved.

3) Impact on the consolidated financial statements for the following fiscal year

Estimates of total costs and revenues may vary due to various factors, including changes in specifications, fluctuations in material prices, interruptions of contracted work due to natural disasters or outbreaks of pandemics, material shortages, supply chain disruptions, and events that were not apparent at the time of budget formulation. These factors may have a significant impact on net sales that are recognized over a certain period in the consolidated financial statements for the following fiscal year.

2. Provision for loss on construction contracts

(1) Amounts recorded in the consolidated financial statements for the current fiscal year

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Provision for loss on construction contracts	1,490	1,636

(2) Other information that helps users of the consolidated financial statements better understand the details of the accounting estimates

1) Calculation method for the amount recorded in the consolidated financial statements for the current fiscal year

For construction contracts at the end of the current fiscal year that are likely to incur losses and for which the amount of losses can be reasonably estimated, the Company estimates the total construction costs and total construction revenues and records the estimated future losses in a provision for loss.

2) Major assumptions used in the calculation of the amount recorded in the consolidated financial statements for the current fiscal year

• Total construction cost

The total construction cost is estimated based on the budget for each construction contract. A budget is formed by compiling information about unit prices and quantities of materials and subcontracting services according to construction methods, specifications, and work processes. Even after construction begins, the Company revises the estimate of total construction cost in a timely and appropriate manner by continuously comparing the preliminary estimate based on the budget with actual results.

• Total construction revenue

The contracted amount equals the total revenue, provided, however, that if the contract is revised due to new agreements made between the Company and the customer during the ongoing contracted work and the revised amount is yet to be determined, the Company takes into consideration the business environment, the status of the work, and discussions with the customer, among others, and makes reasonable estimates only to the extent that it is highly unlikely to cause a significant reduction in the accumulated amount of revenues recognized when the uncertainty related to variable consideration is subsequently resolved.

3) Impact on the consolidated financial statements for the following fiscal year

Estimates of total construction costs and revenues may vary due to various factors, including changes in construction specifications, fluctuations in material prices, construction interruptions due to natural disasters or outbreaks of pandemics, material shortages, supply chain disruptions, and events that were not apparent at the time of budget formulation. These factors may have a significant impact on the amount of provision for loss on construction contracts in the consolidated financial statements for the following fiscal year.

Changes in accounting policies

The Company has applied the *Accounting Standard for Current Income Taxes* (ASBJ Statement No. 27; October 28, 2022; hereinafter, “2022 Revised Accounting Standard”), etc., from the beginning of the current fiscal year.

Revisions concerning the recognition classification of income taxes (imposed on other comprehensive income) follow the transitional treatment set forth in the proviso of paragraph 20-3 of the 2022 Revised Accounting Standard and in the proviso of paragraph 65-2 (2) of the *Guidance on Accounting Standard for Tax Effect Accounting* (ASBJ Guidance No. 28; October 28, 2022; hereinafter, “2022 Revised Guidance”).

Regarding the revisions related to the review of treatment in consolidated financial statements when deferring the gains or losses on sales arising from the sale of subsidiary shares, etc., among consolidated companies for tax purposes, the Company has applied the 2022 Revised Guidance from the beginning of the current fiscal year.

This change in accounting policy has no impact on the consolidated financial statements.

Accounting standards, etc. yet to be adopted

Accounting standard for leases and its implementation guidance

- *Accounting Standard for Leases* (ASBJ Statement No. 34, September 13, 2024)
- *Implementation Guidance on Accounting Standard for Leases* (ASBJ Guidance No. 33, September 13, 2024)

(1) Outline

Similar to international accounting standards, the standard sets forth the treatment of recognizing assets and liabilities for all leases held by lessees.

(2) Scheduled date of adoption

Scheduled to be adopted from the beginning of the fiscal year ending March 31, 2028.

(3) Impact of the adoption of the accounting standard, etc.

The Group is currently evaluating the impact of the adoption of the Accounting Standard for Leases and its implementation guidance on the consolidated financial statements for the current fiscal year.

Additional information

Board Benefit Trust for Directors and Executive Officers of the Company and certain subsidiaries of the Company

The Company has introduced the “Board Benefit Trust” performance-linked stock-based remuneration system for Directors and Executive Officers of the Company and its subsidiaries (excluding outside directors and non-executive directors; hereinafter collectively referred to as the “Group Officers”).

1. Overview of transaction

Through the system, shares of the Company are acquired through the trust using funds contributed by the Company, and in principle, provided to the Group Officers in accordance with the Officer Stock Benefit Rules stipulated by the Boards of Directors of each Group company.

In principle, the Group Officers receive benefits when they retire from their positions as Group Officers.

2. The Company’s shares remaining in the trust

The Company’s shares remaining in the trust are recorded as treasury shares under net assets at the carrying amount in the trust (excluding the amount of incidental expenses). The carrying amount and the number of such treasury shares as of April 1, 2024, and March 31, 2025, were 876 million yen and 572,000 shares, and 826 million yen and 539,000 shares, respectively.

Consolidated balance sheets

*1 Details of costs on construction contracts in progress, etc.

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Costs on construction contracts in progress	25,550	24,262
Merchandise	1,056	791
Raw materials and supplies	4,490	4,120

*2 Receivable and contract asset from contracts with customers included in notes receivable, accounts receivable from completed construction contracts and other are as follows.

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Notes receivable - trade	1,309	1,125
Accounts receivable - trade	32,742	18,801
Accounts receivable from completed construction contracts	99,462	113,845
Contract assets	71,697	89,087

*3 Contract liabilities included in advances received on construction contracts in progress and other under current liabilities are as follows.

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Advances received on construction contracts in progress	11,261	6,713
Other (current liabilities)	2,810	2,218

*4 Assets pledged as collateral and secured liabilities

Assets pledged as collateral and secured liabilities are as follows.

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Cash and deposits (Note 1)	245	76
Notes receivable, accounts receivable from completed construction contracts and other	9	—
Other (current assets) (Note 2)	93	99
Buildings and structures	82	0
Machinery, vehicles, tools, furniture and fixtures	665	165
Other (investments and other assets) (Note 2)	760	661
Investment securities (Note 1) (Note 3)	3	4,324
Total	1,861	5,327

Note 1: Three million yen included in cash and deposits and investment securities is pledged as collateral to guarantee business transactions.

Note 2: These are lease receivables.

Note 3: There are no liabilities secured by collateral. The maximum amount secured under the revolving mortgage is 1.8 billion Philippine pesos.

(Millions of yen)		
	As of March 31, 2024	As of March 31, 2025
Short-term borrowings	117	83
Long-term borrowings	933	437
Total	1,051	520

*5 Presentation of costs on construction contracts in progress and provision for loss on construction contracts

Costs on construction contracts in progress and the provision for loss on construction contracts related to construction contracts with anticipated losses are separately presented, without being offset. Of the costs on construction contracts in progress related to construction contracts with anticipated losses, the amount corresponding to the provision for loss on construction contracts is as follows.

(Millions of yen)		
	As of March 31, 2024	As of March 31, 2025
Costs on construction contracts in progress	379	208

*6 Items related to non-consolidated subsidiaries and affiliates are as follows.

(Millions of yen)		
	As of March 31, 2024	As of March 31, 2025
Investment securities (equity securities)	7,742	7,927

*7 Land revaluation

In accordance with the Act on Revaluation of Land (Act No. 34 promulgated on March 31, 1998), certain consolidated subsidiaries revalued their land for business use. The revaluation reserve for land, net of deferred tax liabilities for land revaluation, is recognized as a component of net assets after making adjustments required for consolidated financial statements.

(1) Revaluation method

The fair value of land is determined based on official notice prices that are calculated by the method set and published by the Commissioner of the National Tax Agency. The method is intended for calculating land value that forms the basis for calculating property tax amounts prescribed in Article 16 of the Land Value Tax Act (Act No. 69 of 1991), as stipulated in Article 2, item 4 of the Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119 promulgated on March 31, 1998). Reasonable adjustments are made to the official notice prices.

(2) Date of revaluation:

March 31, 2002

(Millions of yen)		
	As of March 31, 2024	As of March 31, 2025
Difference between the fair value of the revalued land at the end of the fiscal year and the carrying amount after the revaluation:	783	783

*8 Contingent liabilities

Guarantee obligations

The Company guarantees housing loans of employees as follows.

(Millions of yen)		
	As of March 31, 2024	As of March 31, 2025
Employees	51	42

Consolidated statements of income and comprehensive income***1 Revenue from contracts with customers**

The Company does not disaggregate revenues from contracts with customers and other sources of revenue for net sales. Please see “Notes to Consolidated Financial Statements, Revenue recognition, 1. Disaggregation of revenue from contracts with customers” for details.

***2 Provision for loss on construction contracts included in cost of sales is as follows.**

(Millions of yen)	
Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
902	949

***3 Major items and amounts of selling, general and administrative expenses are as follows.**

(Millions of yen)		
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Employees’ salaries and allowances	18,506	23,507
Depreciation	2,654	3,792
Retirement benefit expenses	732	799

***4 Research and development expenses included in general and administrative expenses and cost of sales are as follows.**

(Millions of yen)	
Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
304	371

***5 Details of gain on sale of non-current assets are as follows.**

(Millions of yen)		
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Land	160	1,134
Buildings and structures	2	7
Machinery, vehicles, tools, furniture and fixtures	27	19
Other	—	(2)
Total	190	1,157

***6 Details of loss on sale of non-current assets are as follows.**

(Millions of yen)		
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Land	10	22
Buildings and structures	—	196
Machinery, vehicles, tools, furniture and fixtures	0	3
Total	11	222

*7 Details of loss on retirement of non-current assets are as follows.

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Buildings and structures	86	88
Machinery, vehicles, tools, furniture and fixtures	19	12
Other	60	43
Total	166	144

*8 Details of loss on liquidation of subsidiaries and affiliates are as follows.

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Provision for loss on closing subsidiaries and affiliates	—	811

*9 Details of reclassification adjustments, income taxes and tax effects relating to other comprehensive income

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Valuation difference on available-for-sale securities		
Amounts arising during period	3,098	725
Reclassification adjustments	(1,819)	(855)
Income taxes and before tax effect adjustments	1,278	(130)
Income taxes and tax effects	(308)	69
Valuation difference on available-for-sale securities	969	(60)
Revaluation reserve for land		
Income taxes and tax effects	13	—
Foreign currency translation adjustment		
Amounts arising during period	1,357	2,404
Remeasurements of defined benefit plans, net of tax		
Amounts arising during period	3,953	2,231
Reclassification adjustments	(61)	(730)
Income taxes and before tax effect adjustments	3,892	1,501
Income taxes and tax effects	(1,178)	(511)
Remeasurements of defined benefit plans, net of tax	2,714	989
Share of other comprehensive income of entities accounted for using the equity method		
Amounts arising during period	318	265
Total other comprehensive income	5,374	3,598

Consolidated statements of changes in net assets

Fiscal year ended March 31, 2024

1. Class and total number of shares issued and class and number of treasury shares

(Thousands of shares)

	Number of shares at beginning of period	Increase during the period	Decrease during the period	Number of shares at end of period
Shares issued				
Common stock	103,325	—	9,000	94,325
Total	103,325	—	9,000	94,325
Treasury shares				
Common stock	7,417	4,144	9,338	2,224
Total	7,417	4,144	9,338	2,224

Notes: 1. The decrease of 9,000 thousand shares in the number of shares issued is due to the cancellation of treasury shares.

2. The number of treasury shares includes the number of the Company's shares (572 thousand shares as of March 31, 2024) held by Custody Bank of Japan, Ltd. (Trust Account E) related to the Board Benefit Trust system.

3. The increase of 4,144 thousand shares in the number of treasury shares is due to the following:

Repurchase of treasury shares through market purchases: 3,840 thousand shares

Purchase of shares through the Board Benefit Trust system: 303 thousand shares

Increase due to purchase of shares less than one unit in response to such request: 0 thousand shares

4. The decrease of 9,338 thousand shares in the number of treasury shares is due to the following:

Decrease due to the cancellation of treasury shares: 9,000 thousand shares

Contribution of shares to the Board Benefit Trust system: 303 thousand shares

Decrease due to payment of stock benefits to retired officers: 34 thousand shares

Decrease due to sale of shares to meet top-up demands for shares of less than one unit: 0 thousand shares

2. Dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (million yen)	Dividend paid per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 27, 2023	Common stock	2,886	30.00	March 31, 2023	June 28, 2023
Board of Directors' meeting held on November 10, 2023	Common stock	2,841	30.00	September 30, 2023	November 30, 2023

Notes: 1 The total amount of dividends paid based on the resolution at the Ordinary General Meeting of Shareholders held on June 27, 2023, includes dividends of 9 million yen paid on the Company's shares held by trusts.

2 The total amount of dividends paid based on the resolution at the Board of Directors' meeting held on November 10, 2023, includes dividends of 17 million yen paid on the Company's shares held by trusts.

(2) Dividends with a record date in the current fiscal year, but an effective date in the following fiscal year

Resolution	Class of shares	Source of dividends	Total amount of dividends (million yen)	Dividend paid per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2024	Common stock	Retained earnings	3,243	35.00	March 31, 2024	June 26, 2024

Note: The total amount of dividends paid based on the resolution at the Ordinary General Meeting of Shareholders held on June 25, 2024, includes dividends of 20 million yen paid on the Company's shares held by trusts.

Fiscal year ended March 31, 2025

1. Class and total number of shares issued and class and number of treasury shares

(Thousands of shares)				
	Number of shares at beginning of period	Increase during the period	Decrease during the period	Number of shares at end of period
Shares issued				
Common stock	94,325	—	3,000	91,325
Total	94,325	—	3,000	91,325
Treasury shares				
Common stock	2,224	2,423	3,032	1,614
Total	2,224	2,423	3,032	1,614

- Notes: 1. The decrease of 3,000 thousand shares in the number of shares issued is due to the cancellation of treasury shares.
2. The number of treasury shares includes the number of the Company's shares (539 thousand shares as of March 31, 2025) held by Custody Bank of Japan, Ltd. (Trust Account E) related to the Board Benefit Trust system.
3. The increase of 2,423 thousand shares in the number of treasury shares is due to the following:
Repurchase of treasury shares through market purchases: 2,422 thousand shares
Increase due to purchase of shares less than one unit in response to such request: 0 thousand shares
4. The decrease of 3,032 thousand shares in the number of treasury shares is due to the following:
Decrease due to the cancellation of treasury shares: 3,000 thousand shares
Decrease due to payment of stock benefits to retired officers: 32 thousand shares
Decrease due to sale of shares to meet top-up demands for shares of less than one unit: 0 thousand shares

2. Dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (million yen)	Dividend paid per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2024	Common stock	3,243	35.00	March 31, 2024	June 26, 2024
Board of Directors' meeting held on November 13, 2024	Common stock	3,190	35.00	September 30, 2024	November 29, 2024

- Notes: 1. The total amount of dividends paid based on the resolution at the Ordinary General Meeting of Shareholders held on June 25, 2024, includes dividends of 20 million yen paid on the Company's shares held by trusts.
2. The total amount of dividends paid based on the resolution at the Board of Directors' meeting held on November 13, 2024, includes dividends of 18 million yen paid on the Company's shares held by trusts.

(2) Dividends with a record date in the current fiscal year, but an effective date in the following fiscal year

The Company plans to submit the following proposal for the appropriation of surplus at the Ordinary General Meeting of Shareholders scheduled for June 25, 2025.

Resolution	Class of shares	Source of dividends	Total amount of dividends (million yen)	Dividend paid per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders scheduled for June 25, 2025	Common stock	Retained earnings	3,610	40.00	March 31, 2025	June 26, 2025

Note: The total amount of dividends to be paid based on the resolution at the Ordinary General Meeting of Shareholders scheduled for June 25, 2025, includes dividends of 21 million yen to be paid on the Company's shares held by trusts.

Consolidated statements of cash flows

*1 Reconciliation of ending balance of cash and cash equivalents with account balances reported in the consolidated balance sheets
(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash and deposits	50,036	53,475
Time deposits, etc. with maturity over three months	(2,018)	(2,124)
Cash and cash equivalents	48,017	51,350

*2 Principal assets and liabilities of companies that became consolidated subsidiaries due to share acquisitions

Fiscal year ended March 31, 2024

The following are principal assets and liabilities of Kokusai Kogyo Co., Ltd., at the time when it was newly included in the scope of consolidation due to the acquisition of its shares, as well as the reconciliation between the acquisition cost and the payment for the acquisition (net).

	(Millions of yen)
Current assets	28,864
Non-current assets	11,837
Goodwill	19,421
Customer related assets	18,413
Current liabilities	(22,307)
Non-current liabilities	(5,051)
Deferred tax liabilities	(5,638)
Non-controlling interests	(27)
Acquisition cost of shares	45,511
Loans to newly consolidated subsidiaries	12,500
Cash and cash equivalents	(8,147)
Net: Payment for acquisition	49,863

Fiscal year ended March 31, 2025

The following are the principal assets and liabilities of Koyo Holdings Co., Ltd. at the time it was newly included in the scope of consolidation due to the acquisition of its shares, as well as the reconciliation between the acquisition cost and the payment for the acquisition (net).

	(Millions of yen)
Current assets	5,912
Non-current assets	503
Goodwill	1,006
Customer related assets	3,907
Current liabilities	(1,007)
Non-current liabilities	(414)
Deferred tax liabilities	(1,338)
Non-controlling interests	(2,268)
Acquisition cost of shares	6,300
Cash and cash equivalents	(3,807)
Net: Payment for acquisition	2,492

The Company acquired all the shares of Koyo Holdings Co., Ltd. on December 16, 2024, and the acquisition cost of shares and goodwill increased by 2,650 million yen and 324 million yen, respectively.

*3 Significant non-monetary transactions

The amounts of assets and obligations related to finance lease transactions are as follows.

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Amounts of assets and obligations related to finance lease transactions that were newly recorded	771	2,555

Leases

1. Finance lease transactions

As lessee

Finance lease transactions that do not transfer ownership

(1) Description of leased assets

1) Property, plant and equipment

Mainly machinery, vehicles, tools, furniture and fixtures

2) Intangible assets

Software

(2) Accounting policy for depreciation of leased assets

Depreciated on a straight-line basis using the lease term as the useful life and with zero residual value.

Overseas consolidated subsidiaries prepare financial statements in accordance with International Financial Reporting Standards (IFRS), and have applied IFRS 16 “Leases” (hereinafter referred to as “IFRS 16”). In accordance with IFRS 16, as a general rule, all leases are recognized as assets and liabilities on the balance sheets, and the capitalized right-of-use assets are depreciated on a straight-line basis.

2. Operating lease transactions

As lessee

Future lease payments under non-cancellable operating lease transactions:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Due within 1 year	888	1,127
Due after 1 year	2,693	3,956
Total	3,582	5,084

Change in presentation

Future lease payments under non-cancellable operating lease transactions are stated from the current fiscal year, because their materiality in terms of amount has increased. Future lease payments under non-cancellable operating lease transactions as of March 31, 2024, are also stated to reflect this change in presentation.

3. Lease receivables and investments in leases of lease obligations under sublease transactions recorded in the consolidated balance sheets at the amount before deducting interest equivalents

(1) Lease receivables and investments in leases

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Current assets	5,727	6,768

(2) Lease obligations

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Current liabilities	1,942	2,164
Non-current liabilities	4,023	4,652

Financial instruments

1. Status of financial instruments

(1) Policies on financial instruments

The Group's policy is to invest surplus funds in highly safe, short-term financial assets and not to engage in speculative transactions.

(2) Nature and risks of financial instruments and our risk management structure

Notes receivable, accounts receivable from completed construction contracts and other are exposed to customers' credit risk. With regard to this risk, the Group properly assesses the creditworthiness of the counterparty based on credit research materials and other information in accordance with its internal rules before making a decision on entering into the transaction.

Investment securities are exposed to the risk of market price fluctuations. They are mainly stocks of companies with which the Company has business relationships and are managed by periodically monitoring their market values.

Short-term borrowings, as part of interest-bearing debt, are used as working capital, while long-term borrowings and bonds payable are primarily used as funds for business acquisition and capital investments. Long-term borrowings under syndicated loan agreements contain financial covenants. If such covenants are breached and a demand for acceleration of repayment is made, it could adversely affect the Company's and the Group's future growth, business performance, and financial condition due to a deterioration in cash flow. Floating interest rate borrowings are exposed to the risk of interest rate fluctuations. Market interest rate trends are reported to the Board of Directors periodically and properly managed.

Furthermore, the Group's policy permits derivative transactions solely for the purpose of mitigating risks associated with actual demand, and prohibits any form of speculative transactions.

2. Fair value of financial instruments

The consolidated balance sheet amounts and fair value of financial instruments and their differences are as follows. Shares, etc. that do not have a market price are not included in the table below.

As of March 31, 2024

(Millions of yen)			
Account	Consolidated balance sheet amount	Fair value	Difference
(1) Notes receivable, accounts receivable from completed construction contracts and other	133,514	133,512	(1)
(2) Investment securities (*2)			
Available-for-sale securities	10,311	10,311	—
Total assets	143,826	143,824	(1)
(1) Long-term borrowings (including current portion)	31,149	31,139	(9)
Total liabilities	31,149	31,139	(9)
Derivative transactions (*3)	0	0	—

(*1) Because "Cash and deposits" comprise cash and "Notes payable, accounts payable for construction contracts and other" and "Short-term borrowings" are short-term instruments whose carrying amount approximates their fair value, they are omitted.

(*2) Shares, etc. that do not have a market price

(Millions of yen)

Category	As of March 31, 2024
Unlisted shares	9,142

Unlisted shares are not included in "(2) Investment securities."

(*3) Net receivables and payables arising from derivative transactions are presented on a net basis. The amount of transactions that result in net payables in aggregate is presented in parentheses. Derivative transactions are included in "Other" under current assets in the consolidated balance sheets.

As of March 31, 2025

(Millions of yen)

Account	Consolidated balance sheet amount	Fair value	Difference
(1) Notes receivable, accounts receivable from completed construction contracts and other	133,772	133,769	(2)
(2) Investment securities (*2)			
Available-for-sale securities	10,005	10,005	—
Total assets	143,777	143,775	(2)
(1) Bonds payable	30,000	29,191	(808)
(2) Long-term borrowings (including current portion)	40,591	40,580	(11)
Total liabilities	70,591	69,771	(819)
Derivative transactions (*3)	(6)	(6)	—

(*1) Because “Cash and deposits” comprise cash and “Notes payable, accounts payable for construction contracts and other” and “Short-term borrowings” are short-term instruments whose carrying amount approximates their fair value, they are omitted.

(*2) Shares, etc. that do not have a market price

(Millions of yen)

Category	As of March 31, 2025
Unlisted shares	9,391

Unlisted shares are not included in “(2) Investment securities.”

(*3) Net receivables and payables arising from derivative transactions are presented on a net basis. The amount of transactions that result in net payables in aggregate is presented in parentheses. Derivative transactions are included in “Other” under current assets in the consolidated balance sheets.

Note 1. Redemption schedule of monetary receivables after the consolidated balance sheet date.

As of March 31, 2024

(Millions of yen)

	Due within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Cash and deposits	50,036	—	—	—
Notes receivable, accounts receivable from completed construction contracts and other	133,325	189	—	—
Total	183,361	189	—	—

As of March 31, 2025

(Millions of yen)

	Due within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Cash and deposits	53,475	—	—	—
Notes receivable, accounts receivable from completed construction contracts and other	133,703	68	—	—
Total	187,178	68	—	—

Note 2. Repayment schedule of borrowings and bonds payable after the consolidated balance sheet date.

As of March 31, 2024

(Millions of yen)

	Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term borrowings	75,001	—	—	—	—	—
Long-term borrowings	146	145	145	30,145	143	424
Total	75,148	145	145	30,145	143	424

As of March 31, 2025

(Millions of yen)

	Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term borrowings	42,500	—	—	—	—	—
Bonds payable	—	—	—	—	25,000	5,000
Long-term borrowings	96	96	30,096	90	10,089	123
Total	42,596	96	30,096	90	35,089	5,123

3. Fair value information by level within the fair value hierarchy

The fair value of financial instruments is classified into the following three levels according to the observability and significance of inputs used to measure fair value.

Level 1 fair value: Fair value measured using observable inputs that are quoted prices of identical assets or liabilities in active markets.

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable inputs.

If multiple inputs that are significant to the fair value measurement are used, the fair value measurement is categorized within the lowest priority level among the levels to which those inputs belong.

(1) Financial instruments measured at fair value

As of March 31, 2024

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Equity securities	10,311	—	—	10,311
Derivatives	—	0	—	0
Total assets	10,311	0	—	10,312

As of March 31, 2025

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Equity securities	10,005	—	—	10,005
Derivatives	—	(6)	—	(6)
Total assets	10,005	(6)	—	9,999

(2) Financial instruments other than those measured at fair value

As of March 31, 2024

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Notes receivable, accounts receivable from completed construction contracts and other	—	133,512	—	133,512
Total assets	—	133,512	—	133,512
Long-term borrowings	—	31,139	—	31,139
Total liabilities	—	31,139	—	31,139

As of March 31, 2025

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Notes receivable, accounts receivable from completed construction contracts and other	—	133,769	—	133,769
Total assets	—	133,769	—	133,769
Bonds payable	—	29,191	—	29,191
Long-term borrowings	—	40,580	—	40,580
Total liabilities	—	69,771	—	69,771

Note: Description of valuation techniques and inputs used in the fair value measurement

Notes receivable, accounts receivable from completed construction contracts and other

The fair value of the above receivable is categorized by a specified period and measured using the present value of the future cash flows discounted at the risk-free rate. It is classified as Level 2.

Investment securities

Equity securities are valued using exchange-quoted market prices. As listed shares are traded in active markets, their fair value is classified as Level 1.

Derivatives

The fair value of interest rate currency swaps is measured using observable inputs such as interest rates and exchange rates. It is classified as Level 2.

Bonds payable

The fair value of the bonds issued by the Company is measured using the reference statistical prices for over-the-counter bond trading published by the Japan Securities Dealers Association. It is classified as Level 2.

Long-term borrowings

For long-term borrowings with variable interest rates, the carrying amounts are considered to represent fair value as they are deemed to approximate fair value since such rates reflect the market interest rate in the short term, and the Group's creditworthiness has not significantly changed since the borrowings. For the fair value measurement of long-term borrowings with fixed interest rates, the total amount of principal and interest is discounted using the interest rate assumed for new borrowings of a similar nature. Accordingly, it is classified as Level 2.

Securities

1. Available-for-sale securities

As of March 31, 2024

(Millions of yen)

Category	Consolidated balance sheet amount	Cost	Difference
Securities whose consolidated balance sheet amount exceeds the cost			
Equity securities	10,056	4,694	5,361
Subtotal	10,056	4,694	5,361
Securities whose consolidated balance sheet amount does not exceed the cost			
Equity securities	254	307	(52)
Subtotal	254	307	(52)
Total	10,311	5,001	5,309

Note: Unlisted shares (consolidated balance sheet amount: 1,400 million yen) are not included in the above table of “Available-for-sale securities” because they have no market prices.

As of March 31, 2025

(Millions of yen)

Category	Consolidated balance sheet amount	Cost	Difference
Securities whose consolidated balance sheet amount exceeds the cost			
Equity securities	9,703	4,446	5,256
Subtotal	9,703	4,446	5,256
Securities whose consolidated balance sheet amount does not exceed the cost			
Equity securities	302	379	(76)
Subtotal	302	379	(76)
Total	10,005	4,826	5,179

Note: Unlisted shares (consolidated balance sheet amount: 1,464 million yen) are not included in the above table of “Available-for-sale securities” because they have no market prices.

2. Available-for-sale securities sold during the fiscal year

Fiscal year ended March 31, 2024

(Millions of yen)

Category	Proceeds from sale	Gain on sale in total	Loss on sale in total
Equity securities	2,592	1,957	—
Total	2,592	1,957	—

Fiscal year ended March 31, 2025

(Millions of yen)

Category	Proceeds from sale	Gain on sale in total	Loss on sale in total
Equity securities	1,249	892	—
Total	1,249	892	—

Retirement benefits

1. Overview of retirement benefit plans adopted

The Group has adopted retirement benefit plans consisting of defined benefit plans and defined contribution plans. The defined benefit plans mainly include a multi-employer employees' pension fund, a cash balance plan, and a lump-sum payment plan.

In addition, certain consolidated subsidiaries have participated in a retirement allowance mutual aid plan as a defined contribution plan.

Certain consolidated subsidiaries have joined Corporate Pension Plan, a multi-employer pension plan. The plans where it is not possible to reasonably calculate the amount of pension assets corresponding to their contribution are accounted for in the same manner as defined contribution plans.

2. Defined benefit plan

(1) Reconciliation of opening and ending balances of retirement benefit obligations

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Retirement benefit obligations at beginning of period	39,629	41,978
Service cost	2,500	2,879
Interest cost	177	279
Actuarial gains and losses incurred	(862)	(3,276)
Retirement benefits paid	(2,077)	(2,264)
Past service cost incurred during the period	—	(320)
Effects of plan amendments	—	(402)
Transfer amount due to the change from the simplified method to the principle method	—	(162)
Increase due to increase in consolidated subsidiaries	2,609	79
Retirement benefit obligations at end of period	41,978	38,792

Note: The table above includes the plans under the simplified method.

(2) Reconciliation of opening and ending balances of plan assets

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Plan assets at beginning of period	30,944	34,533
Expected return on plan assets	730	819
Actuarial gains and losses incurred	3,091	(1,384)
Contributions from employer	871	851
Retirement benefits paid	(1,104)	(1,052)
Effects of plan amendments	—	(411)
Plan assets at end of period	34,533	33,357

Note: The table above includes the plans under the simplified method.

(3) Reconciliation of ending balances of retirement benefit obligations and plan assets, and net defined benefit liability and net defined benefit asset recorded in the consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Funded retirement benefit obligations	21,874	19,708
Plan assets	(34,533)	(33,357)
	(12,658)	(13,648)
Unfunded retirement benefit obligations	20,104	19,084
Net amount of liability and asset recorded in consolidated balance sheet	7,445	5,435
Retirement benefit liability	18,686	17,594
Retirement benefit asset	(11,241)	(12,159)
Net amount of liability and asset recorded in consolidated balance sheet	7,445	5,435

Note: The table above includes the plans under the simplified method.

(4) Components of retirement benefit expenses

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Service cost	2,500	2,879
Interest cost	177	279
Expected return on plan assets	(730)	(819)
Amortization of actuarial gains and losses	(168)	(692)
Amortization of past service cost	107	(38)
Transfer amount due to the change from the simplified method to the principle method	—	(162)
Other	—	49
Retirement benefit expenses for defined benefit plans	1,886	1,495

Note: The table above includes the plans under the simplified method.

(5) Remeasurements of defined benefit plans

Components of items recorded in remeasurements of defined benefit plans (before income taxes and tax effect) are as follows:

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Past service cost	(102)	(301)
Actuarial gains and losses incurred	(3,790)	(1,199)
Total	(3,892)	(1,501)

(6) Accumulated remeasurements of defined benefit plans

Components of items recorded in accumulated remeasurements of defined benefit plans (before income taxes and tax effect) are as follows:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Unrecognized past service cost	(136)	(438)
Unrecognized actuarial gains and losses	(6,119)	(7,319)
Total	(6,256)	(7,757)

(7) Plan assets

1) Major components of plan assets

Plan assets by major category as a percentage of total plan assets are as follows:

	(%)	
	As of March 31, 2024	As of March 31, 2025
Debt securities	22	18
Equity securities	29	30
Cash and deposits	7	19
Other	42	33
Total	100	100

Note: Retirement benefit trusts set up for lump-sum payment plans and corporate pension plans accounted for 15% and 14% of total plan assets as of March 31, 2024, and 2025, respectively.

2) Determination procedure of long-term expected rate of return on plan assets

In determining the long-term expected rate of return on plan assets, the Company considers the current and projected asset allocations as well as the current and future expected long-term rates of return on various assets that constitute the plan assets.

(8) Actuarial assumptions

Major actuarial assumptions

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Discount rate	Mainly 0.6%	Mainly 2.2%
Long-term expected rate of return on plan assets	Mainly 2.5%	Mainly 2.5%
Expected rate of salary increase	Mainly 6.2%	Mainly 6.1%

3. Defined contribution plan

The amounts of required contributions to the defined contribution plans of the Group (including multi-employer pension plan, which is accounted for in the same manner as defined contribution plans) for the fiscal years ended March 31, 2024, and 2025, were 1,211 million yen and 1,474 million yen, respectively.

Information related to the multi-employer pension plan under which the amount of required contributions is accounted for as retirement benefit expenses is as follows.

(1) Funding status of the entire plan

Osaka Electric Equipment Industry Corporate Pension Fund

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Amount of plan assets	8,192	8,909
Total amount of actuarial obligations for pension financing calculation purposes and minimum actuarial reserve	7,784	7,749
Net amount	407	1,159

Surveying & Design Enterprises Multi Employers Pension Fund

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Amount of plan assets	61,550	66,466
Total amount of actuarial obligations for pension financing calculation purposes and minimum actuarial reserve	47,139	47,152
Net amount	14,411	19,314

(2) Percentage of contributions of the Group to total contributions under the entire plan

(%)

	As of March 31, 2024	As of March 31, 2025
Osaka Electric Equipment Industry Corporate Pension Fund	14.4	14.5
Surveying & Design Enterprises Multi Employers Pension Fund	5.8	5.8

Tax effect accounting

1. Significant components of deferred tax assets and deferred tax liabilities

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Deferred tax assets		
Retirement benefit liability	6,574	6,772
Provision for bonuses	3,618	3,743
Accrued enterprise taxes	496	512
Loss on valuation of investment securities	418	375
Provision for loss on construction contracts	456	534
Accrued social insurance premiums	568	554
Asset retirement obligations	461	549
Impairment losses	246	252
Golf membership	179	177
Tax loss carryforwards	520	172
Other	2,928	2,976
Subtotal of deferred tax assets	16,467	16,621
Less valuation allowance	(3,123)	(2,692)
Total deferred tax assets	13,343	13,929
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(2,035)	(2,069)
Gain on contribution of securities to or cancellation of retirement benefit trust	(108)	(49)
Valuation difference on business combination	(1,965)	(2,018)
Valuation difference on non-current assets	(9,340)	(10,417)
Retirement benefit asset	(2,307)	(2,843)
Reserve for tax purpose reduction entry of replacement assets	(417)	(626)
Reserve for tax purpose reduction entry of non-current assets	(591)	(579)
Other	(775)	(762)
Total deferred tax liabilities	(17,541)	(19,365)
Deferred tax assets (liabilities), net	(4,197)	(5,435)

In addition to the above, deferred tax liabilities for land revaluation are as follows.

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Non-current liabilities - Deferred tax liabilities for land revaluation	(28)	(28)

2. Reconciliation of significant difference between the statutory effective tax rate and the actual effective tax rate after applying tax effect accounting

	(%)	
	As of March 31, 2024	As of March 31, 2025
Statutory effective tax rate	30.6	30.6
Adjustments:		
Expenses not deductible for income tax purposes (e.g. entertainment expenses)	0.9	0.7
Income not taxable for income tax purposes (e.g. dividend income)	(0.3)	(0.1)
Inhabitant tax on per capita basis	1.2	1.2
Change in valuation allowance	2.3	0.7
Amortization of goodwill	2.2	2.5
Other	(1.1)	0.5
Actual effective tax rate after applying tax effect accounting	35.9	36.1

3. Revisions to the amounts of deferred tax assets and deferred tax liabilities due to changes in income tax rates

The Act for Partial Amendment of the Income Tax Act, etc. (Act No. 13 of 2025) passed the Diet on March 31, 2025, and a special defense corporation tax will be imposed from the fiscal year beginning on or after April 1, 2026.

Accordingly, deferred tax assets and deferred tax liabilities for temporary differences and other tax attributes that are expected to be resolved in fiscal years beginning on or after April 1, 2026, have been calculated based on the statutory effective tax rate reflecting the revised tax rate.

Due to this change, deferred tax liabilities (net of deferred tax assets) as of March 31, 2025, and income taxes - deferred for the fiscal year ended March 31, 2025, increased by 291 million yen and 176 million yen, respectively. In addition, valuation differences on available-for-sale securities and remeasurements of defined benefit plans decreased by 45 million yen and 69 million yen, respectively.

4. Accounting treatment of national and local income taxes or tax effect accounting related thereto

The Company and some of its consolidated subsidiaries have adopted the Group Tax Sharing System. The accounting treatment and disclosure of national and local income taxes, or tax effect accounting related thereto are in accordance with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Solution No. 42, August 12, 2021).

Business combination

Business combination through acquisition

(1) Outline of the business combination

1) Name of the acquired company and description of its business

Name of the acquired company: Koyo Holdings Co., Ltd.

Business description: Electric power construction, electric facility construction, building construction, telecommunications construction, etc.

2) Main reasons for the business combination

To strengthen engineering businesses, such as electric power, green transformation, telecommunications, electricity, civil engineering, and construction, and accelerate active business expansion of full-value MIRAI Domain through human resources of Koyo Holdings Co., Ltd. who possess advanced electric power and electrical engineering technology working together with the resources of the MIRAIT ONE Group to promote businesses with high added value.

3) Date of the business combination

July 1, 2024

4) Legal form of the business combination

Acquisition of shares in cash

5) Name of the company after the business combination

No change.

6) Percentage of voting rights acquired

70.0%

The Company acquired 100% of voting rights on December 16, 2024.

7) Main grounds for determining the acquiring company

Due to the Company's acquisition of shares in exchange for cash.

(2) Period of financial results of the acquired company included in the consolidated financial statements

Period from July 1, 2024, to March 31, 2025, is included.

(3) Acquisition cost of the acquired company and breakdown of consideration by type

	(Millions of yen)
Consideration for the acquisition: Cash	8,950
Cost	8,950

(4) Description and amount of major acquisition-related costs

	(Million yen)
Advisory fees, etc.	253

(5) Amount of goodwill incurred, reasons for the goodwill incurred, and the method and period of amortization

(Million yen)

1) Amount of goodwill incurred 1,331

2) Reasons for the goodwill incurred

Goodwill was incurred from expected excess earnings power arising from future business development.

3) Method and period of amortization

Goodwill will be amortized on a straight-line basis over 17 years.

(6) Assets received and liabilities assumed on the date of business combination and their breakdown

(Millions of yen)

Current assets	5,912
Non-current assets	4,410
Total assets	10,323
Current liabilities	1,007
Non-current liabilities	1,753
Total liabilities	2,761

(7) Amount allocated to intangible assets other than goodwill and the breakdown of major items thereof, and weighted-average amortization period by major items and their total

Type	Amount	Weighted-average amortization period
Customer related assets	3,907 million yen	20 years

(8) Estimated amount of the impact of the business combination on the consolidated statements of income and comprehensive income for the fiscal year under review assuming that it had been completed at the beginning of the fiscal year under review, and its calculation method

(Millions of yen)

Net sales	1,147
Operating profit	30

Method of calculating estimated amount

The estimated amount of the impact is the difference between the net sales and profit and loss information calculated assuming that the business combination had been completed at the beginning of the fiscal year under review and the net sales and profit and loss information in the consolidated statements of income and comprehensive income of the acquiring company.

This note has not been audited.

Asset retirement obligations

This information is omitted due to its immateriality.

The Company has an obligation to restore the Osaka No. 1 Datacenter to its original condition at the time of vacating it based on a real estate lease agreement. However, as the period of use of the rental property pertaining to the obligation is uncertain, and no relocation is scheduled at this time, asset retirement obligations cannot be reasonably estimated. Therefore, asset retirement obligations corresponding to the asset have not been recorded.

Revenue recognition

1. Disaggregation of revenue from contracts with customers

Fiscal year ended March 31, 2024

(1) By market

(Millions of yen)

	Reportable segment								
	MIRAIT ONE	Lantrovision	TTK	SOLCOM	Shikokutsuken	SEIBU CONSTRUCTION	MIRAIT ONE SYSTEMS	Kokusai Kogyo	Total
Environmental & social innovation business	54,921	—	3,420	3,075	4,068	65,283	—	13,037	143,806
ICT solutions business	75,830	27,512	4,114	4,107	8,555	—	23,011	—	143,133
Communication infrastructure business	165,109	—	29,771	26,144	10,419	—	—	—	231,445
Net sales to external customers	295,861	27,512	37,306	33,327	23,044	65,283	23,011	13,037	518,384

(2) By timing of revenue recognition

(Millions of yen)

	Reportable segment								
	MIRAIT ONE	Lantrovision	TTK	SOLCOM	Shikokutsuken	SEIBU CONSTRUCTION	MIRAIT ONE SYSTEMS	Kokusai Kogyo	Total
Goods or services transferred at a point in time	237,809	4,175	30,296	29,045	19,521	5,390	22,047	276	348,563
Goods or services transferred over time	58,051	23,336	7,009	4,282	3,523	59,892	964	12,761	169,821
Net sales to external customers	295,861	27,512	37,306	33,327	23,044	65,283	23,011	13,037	518,384

Note: Revenue from the leasing business that is subject to the *Accounting Standard for Lease Transactions* (ASBJ Statement No. 13) is included in the above table without being disaggregated due to its immateriality.

For construction contracts and software orders with a very short period of time between the transaction commencement date and the time when the performance obligation is expected to be fully satisfied, an alternative treatment is applied. Revenue of such contracts is included in the amount of goods or services transferred at a point in time.

Fiscal year ended March 31, 2025

(1) By market

(Millions of yen)

	Reportable segment								
	MIRAIT ONE	Lantrovision	TTK	SOLCOM	Shikokutsuken	SEIBU CONSTRUCTION	MIRAIT ONE SYSTEMS	Kokusai Kogyo	Total
Environmental & social innovation business	71,961	—	2,422	3,008	5,652	71,203	—	49,522	203,771
ICT solutions business	66,170	34,317	4,571	4,749	8,140	—	25,325	—	143,274
Communication infrastructure business	164,020	—	30,664	25,582	11,286	—	—	—	231,554
Net sales to external customers	302,152	34,317	37,657	33,340	25,079	71,203	25,325	49,522	578,599

(2) By timing of revenue recognition

(Millions of yen)

	Reportable segment								
	MIRAIT ONE	Lantrovision	TTK	SOLCOM	Shikokutsuken	SEIBU CONSTRUCTION	MIRAIT ONE SYSTEMS	Kokusai Kogyo	Total
Goods or services transferred at a point in time	230,779	5,828	30,742	29,852	19,429	6,693	24,833	2,015	350,175
Goods or services transferred over time	71,372	28,489	6,915	3,487	5,650	64,509	491	47,506	228,423
Net sales to external customers	302,152	34,317	37,657	33,340	25,079	71,203	25,325	49,522	578,599

Note: Revenue from the leasing business that is subject to the Accounting Standard for Lease Transactions (ASBJ Statement No. 13) is included in the above table without being disaggregated due to its immateriality.

For construction contracts and software orders with a very short period of time between the transaction commencement date and the time when the performance obligation is expected to be fully satisfied, an alternative treatment is applied. Revenue of such contracts is included in the amount of goods or services transferred at a point in time.

2. Information on the relationship between satisfaction of performance obligations based on contracts with customers and cash flows generated from such contracts, as well as the timing and amounts of revenue expected to be recognized during and after the next fiscal year from contracts with customers in effect at the end of the current fiscal year.

Fiscal year ended March 31, 2024

(1) Contract asset and contract liability balances

(Millions of yen)

	Fiscal year ended March 31, 2024
Receivables from contracts with customers (beginning balance)	154,598
Receivables from contracts with customers (ending balance)	133,514
Contract assets (beginning balance)	35,533
Contract assets (ending balance)	71,697
Contract liabilities (beginning balance)	5,302
Contract liabilities (ending balance)	14,072

- Contract assets relate to the right of the Group for consideration in exchange for the satisfied portion of performance obligations of contracted work, which is measured based on the progress of such obligations at the end of the reporting period, and excluding receivables from contracts with customers. Once the Group's right to consideration becomes unconditional, where only the passage of time is required before payment of that consideration is due, it is reclassified to receivables from contracts with customers.
Contract liabilities are recognized primarily for the portion of contracted work for which consideration has been received from the customer but the performance obligation has not been satisfied. Contract liabilities increase when the Group receives consideration from the customer before transferring the goods or services to the customer and decrease when performance obligations are satisfied. Contract assets are included in "Notes receivable, accounts receivable from completed construction contracts and other" and contract liabilities that are based on construction contracts are included in "Advances received on construction contracts in progress" while advances received relating to sale of merchandise, etc. and contracted work other than construction contracts are included in "Other" under current liabilities.
- The amount of revenue recognized for the fiscal year ended March 31, 2024, from performance obligations that were satisfied (or partially satisfied) in the previous periods is immaterial.
- The amount of revenue recognized for the fiscal year ended March 31, 2024, that was included in contract liabilities at the beginning of the period was 5,156 million yen.
- For the fiscal year ended March 31, 2024, "receivables from contracts with customers," "contract assets," and "contract liabilities" increased by 9,512 million yen, 14,602 million yen, and 2,533 million yen, respectively, as a result of making Kokusai Kogyo Co., Ltd. a consolidated subsidiary.

(2) Transaction price allocated to remaining performance obligations

The total transaction price allocated to the remaining performance obligations was 246,344 million yen at the end of the fiscal year ended March 31, 2024, which was mainly due to transactions related to contracted work. The Group expects to recognize the amount as revenue over approximately one year, in accordance with the performance of the contracts.

Fiscal year ended March 31, 2025

(1) Contract asset and contract liability balances

(Millions of yen)

	Fiscal year ended March 31, 2025
Receivables from contracts with customers (beginning balance)	133,514
Receivables from contracts with customers (ending balance)	133,772
Contract assets (beginning balance)	71,697
Contract assets (ending balance)	89,087
Contract liabilities (beginning balance)	14,072
Contract liabilities (ending balance)	8,931

- Contract assets relate to the right of the Group for consideration in exchange for the satisfied portion of performance obligations of contracted work, which is measured based on the progress of such obligations at the end of the reporting period, and excluding receivables from contracts with customers. Once the Group's right to consideration becomes unconditional, where only the passage of time is required before payment of that consideration is due, it is reclassified to receivables from contracts with customers.
Contract liabilities are recognized primarily for the portion of contracted work for which consideration has been received from the customer but the performance obligation has not been satisfied. Contract liabilities increase when the Group receives consideration from the customer before transferring the goods or services to the customer and decrease when

performance obligations are satisfied. Contract assets are included in “Notes receivable, accounts receivable from completed construction contracts and other” and contract liabilities that are based on construction contracts are included in “Advances received on construction contracts in progress” while advances received relating to sale of merchandise, etc. and contracted work other than construction contracts are included in “Other” under current liabilities.

2. The amount of revenue recognized for the fiscal year ended March 31, 2025, from performance obligations that were satisfied (or partially satisfied) in the previous periods is immaterial.
3. The amount of revenue recognized for the fiscal year ended March 31, 2025, that was included in contract liabilities at the beginning of the period was 10,895 million yen.

(2) Transaction price allocated to remaining performance obligations

The total transaction price allocated to the remaining performance obligations was 302,178 million yen at the end of the fiscal year ended March 31, 2025, which was mainly due to transactions related to contracted work. The Group expects to recognize the amount as revenue over approximately one year, in accordance with the performance of the contracts.

Segment information

Segment information

1. Description of reportable segments

(1) Method of determining reportable segments

The reportable segments of the Company are individual units for which separate financial information is available and that are subject to a periodic review by the Board of Directors for the purposes of determining the allocation of management resources and evaluating performance.

In the MIRAIT ONE Group, each business group, which is centered on the business company, forms comprehensive strategies and engages in activities for its respective businesses.

Hence, the eight reportable segments of the Company are “MIRAIT ONE,” “Lantrovision,” “TTK,” “SOLCOM,” “Shikokutsuken,” “SEIBU CONSTRUCTION,” “MIRAIT ONE SYSTEMS,” and “Kokusai Kogyo.”

(2) Types of products and services attributable to each reportable segment

“MIRAIT ONE,” “TTK,” “SOLCOM,” and “Shikokutsuken” engage in environmental and social innovation business, ICT solutions business, and communication infrastructure business. “Lantrovision” and “MIRAIT ONE SYSTEMS” engage in the ICT solutions business. “SEIBU CONSTRUCTION” and “Kokusai Kogyo” engage in environmental and social innovation business.

2. Method of calculating net sales, income, assets and other items for each reportable segment

Accounting methods applied to the reportable business segments are generally in line with those applied to the consolidated financial statements.

Segment income reflects the operating profit for each reportable segment.

Internal revenue and transfers between segments are based on actual market prices.

3. Net sales, income, assets and other items by reportable segment

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segment							
	MIRAIT ONE	Lantrovision	TTK	SOLCOM	Shikokutsuken	SEIBU CONSTRUCTION	MIRAIT ONE SYSTEMS	Kokusai Kogyo
Net sales								
Net sales to external customers	295,861	27,512	37,306	33,327	23,044	65,283	23,011	13,037
Inter-segment sales or transfers	1,619	30	344	219	62	1,679	3,958	—
Total	297,481	27,542	37,650	33,547	23,107	66,962	26,970	13,037
Segment income	6,676	1,517	2,745	1,399	2,471	1,493	1,894	604
Segment assets	266,040	33,656	34,698	41,812	24,201	89,395	11,013	78,160
Other items								
Depreciation	4,732	865	738	645	181	712	135	500
Increase in property, plant and equipment and intangible assets	6,211	1,065	1,298	1,077	186	141	102	375

	Total	Adjustments (Note 1)	Amount in the consolidated financial statements (Note 2)
Net sales			
Net sales to external customers	518,384	—	518,384
Inter-segment sales or transfers	7,915	(7,915)	—
Total	526,300	(7,915)	518,384
Segment income	18,801	(970)	17,830
Segment assets	578,979	(59,018)	519,960
Other items			
Depreciation	8,511	—	8,511
Increase in property, plant and equipment and intangible assets	10,459	—	10,459

Notes: 1. The amounts adjusted are as follows:

- (1) Adjustments for segment income in the amount of (970) million yen include adjustments for retirement benefits in the amount of (484) million yen.
 - (2) Adjustments for segment assets in the amount of (59,018) million yen include the netting of receivables and payables in the amount of (51,035) million yen.
2. Segment income is reconciled to the operating profit reported in the consolidated statements of income and comprehensive income.

	Reportable segment							
	MIRAIT ONE	Lantrovision	TTK	SOLCOM	Shikokutsuken	SEIBU CONSTRUCTION	MIRAIT ONE SYSTEMS	Kokusai Kogyo
Net sales								
Net sales to external customers	302,152	34,317	37,657	33,340	25,079	71,203	25,325	49,522
Inter-segment sales or transfers	2,961	—	276	57	17	380	4,664	6
Total	305,113	34,317	37,934	33,397	25,097	71,584	29,989	49,529
Segment income	15,260	1,411	2,416	1,407	3,039	1,323	2,033	1,541
Segment assets	278,055	36,443	36,056	42,722	25,414	88,607	12,069	79,164
Other items								
Depreciation	6,035	897	650	653	191	717	158	1,961
Increase in property, plant and equipment and intangible assets	4,390	1,124	1,409	2,064	146	151	192	821

	Total	Adjustments (Note 1)	Amount in the consolidated financial statements (Note 2)
Net sales			
Net sales to external customers	578,599	—	578,599
Inter-segment sales or transfers	8,363	(8,363)	—
Total	586,963	(8,363)	578,599
Segment income	28,434	(448)	27,985
Segment assets	598,532	(60,793)	537,739
Other items			
Depreciation	11,264	—	11,264
Increase in property, plant and equipment and intangible assets	10,301	—	10,301

Notes: 1. The amounts adjusted are as follows:

- (1) Adjustments for segment income in the amount of (448) million yen include adjustments for retirement benefits in the amount of (460) million yen.
 - (2) Adjustments for segment assets in the amount of (60,793) million yen include the netting of receivables and payables in the amount of (49,857) million yen.
2. Segment income is reconciled to the operating profit reported in the consolidated statements of income and comprehensive income.

Related information

Fiscal year ended March 31, 2024

1. Information about products and services

(Millions of yen)

	Environmental & social innovation business	ICT solutions business	Communication infrastructure business	Total
Net sales to external customers	143,806	143,133	231,445	518,384

2. Information about geographic areas

(1) Net sales

Information on net sales for individual regions is omitted, as the net sales to external customers in Japan account for more than 90% of net sales reported in the consolidated statements of income and comprehensive income.

(2) Property, plant and equipment

Information on property, plant and equipment for individual regions is omitted, as domestic assets represent more than 90% of property, plant and equipment reported in the consolidated balance sheet

3. Information about major customers

(Millions of yen)

Name of customer	Net sales	Associated business segments
Nippon Telegraph and Telephone East Corporation	86,791	MIRAIT ONE TTK
Nippon Telegraph and Telephone West Corporation	58,685	MIRAIT ONE SOLCOM Shikokutsuken MIRAIT ONE SYSTEMS
NTT DOCOMO, INC.	25,976	MIRAIT ONE TTK SOLCOM Shikokutsuken MIRAIT ONE SYSTEMS

Fiscal year ended March 31, 2025

1. Information about products and services

(Millions of yen)

	Environmental & social innovation business	ICT solutions business	Communication infrastructure business	Total
Net sales to external customers	203,771	143,274	231,554	578,599

2. Information about geographic areas

(1) Net sales

Information on net sales for individual regions is omitted, as the net sales to external customers in Japan account for more than 90% of net sales reported in the consolidated statements of income and comprehensive income.

(2) Property, plant and equipment

Information on property, plant and equipment for individual regions is omitted, as domestic assets represent more than 90% of property, plant and equipment reported in the consolidated balance sheet

3. Information about major customers

(Millions of yen)

Name of customer	Net sales	Associated business segments
Nippon Telegraph and Telephone East Corporation	86,964	MIRAIT ONE TTK MIRAIT ONE SYSTEMS Kokusai Kogyo
Nippon Telegraph and Telephone West Corporation	60,149	MIRAIT ONE SOLCOM Shikokutsuken MIRAIT ONE SYSTEMS Kokusai Kogyo
NTT DOCOMO, INC.	33,517	MIRAIT ONE TTK SOLCOM Shikokutsuken MIRAIT ONE SYSTEMS Kokusai Kogyo

Information about impairment losses on non-current assets by reportable segment

Fiscal year ended March 31, 2024

This information is omitted due to its immateriality.

Fiscal year ended March 31, 2025

This information is omitted due to its immateriality.

Information about amortization and unamortized balance of goodwill by reportable segment

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segment								
	MIRAIT ONE	Lantrovision	TTK	SOLCOM	Shikokutsuken	SEIBU CONSTRUCTION	MIRAIT ONE SYSTEMS	Kokusai Kogyo	Total
(Goodwill) Amortization	116	416	13	—	72	888	—	242	1,750
Balance at end of period	1,070	2,312	14	—	—	15,993	—	19,179	38,570

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segment								
	MIRAIT ONE	Lantrovision	TTK	SOLCOM	Shikokutsuken	SEIBU CONSTRUCTION	MIRAIT ONE SYSTEMS	Kokusai Kogyo	Total
(Goodwill) Amortization	165	451	11	—	—	888	—	971	2,488
Balance at end of period	2,225	2,042	2	—	—	15,105	—	18,208	37,585

Related parties

Fiscal year ended March 31, 2024

1. Related party transactions

(1) Transactions between the company submitting the consolidated financial statements and related parties

Not applicable.

(2) Transactions between consolidated subsidiaries of the company submitting the consolidated financial statements and related parties

Not applicable.

2. Notes concerning the parent company or significant affiliates

Not applicable.

Fiscal year ended March 31, 2025

1. Related party transactions

(1) Transactions between the company submitting the consolidated financial statements and related parties

Not applicable.

(2) Transactions between consolidated subsidiaries of the company submitting the consolidated financial statements and related parties

Category	Name of company or individual	Location	Share capital or investments in capital (million yen)	Line of business or occupation	Ratio of voting rights holding [held] (%)	Relationship with related party	Description of transaction	Transaction amount (million yen)	Account	Balance at end of period (million yen)
Officer of a subsidiary	CHAN THYE YUAN	—	—	Representative Director of the subsidiary	[Held] Directly 0.0	Purchase of real estate	Purchase of real estate	61	—	—

Note: The purchase price of the real estate was determined with reference to an appraisal value provided by a real estate appraiser.

2. Notes concerning the parent company or significant affiliates

Not applicable.

Per share information

(Yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	2,735.90	2,914.94
Net income per share	133.34	189.40

Note: The basis for calculating net income per share is as follows:

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net income per share		
Net income attributable to owners of parent (million yen)	12,535	17,179
Net income not attributable to common shareholders (million yen)	—	—
Net income attributable to owners of parent attributable to common stock (million yen)	12,535	17,179
Average number of outstanding shares of common stock during the fiscal year (thousand shares)	94,012	90,702

- Notes:
1. The amount of diluted net income per share is not stated because there are no dilutive shares outstanding.
 2. In calculating net income per share, own shares held in trust accounted for as treasury shares in shareholders' equity are included in the treasury shares, which are deducted for calculating the average number of outstanding shares of common stock during the fiscal year. The average number of those treasury shares deducted for calculating net income per share was 550,539 for the fiscal year ended March 31, 2025, and 533,286 for the fiscal year ended March 31, 2024.

Significant subsequent events

Purchase of treasury shares

On May 13, 2025, the Board of Directors of the Company resolved to repurchase its own shares pursuant to Article 156 of the Companies Act of Japan, applied pursuant to Paragraph 3, Article 165 of the same act.

1. Reasons for share repurchase

To enhance shareholder return and to facilitate flexible implementation of capital policy in response to changes in the business environment.

2. Type of shares to be repurchased

Common stock

3. Total number of shares to be repurchased

Up to 2,000,000 shares

(2.2% of outstanding shares excluding treasury stock)

4. Total repurchase amount

Up to 3.0 billion yen

5. Repurchase period

May 14, 2025 to September 30, 2025

6. Repurchase method

Market purchases on the Tokyo Stock Exchange

5) Consolidated supplementary schedules

Detailed schedule of corporate bonds

Issuing company	Name of bond	Issue date	Balance at beginning of period (million yen)	Balance at end of period (million yen)	Interest rate (%)	Security	Redemption date
The Company	MIRAIT ONE Corporation, 1st Unsecured Bond (subject to a limited pari passu clause among bonds)	September 12, 2024	—	25,000	0.9	Unsecured bonds	September 12, 2029
The Company	MIRAIT ONE Corporation, 2nd Unsecured Bond (subject to a limited pari passu clause among bonds)	September 12, 2024	—	5,000	1.2	Unsecured bonds	September 12, 2031
Total	—	—	—	30,000	—	—	—

Note 1: The redemption schedule within five years after the consolidated balance sheet date is as follows:

(Millions of yen)

Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years
—	—	—	—	25,000

Detailed schedule of borrowings

Category	Balance at beginning of period (million yen)	Balance at end of period (million yen)	Average interest rate (%)	Payment due
Short-term borrowings	75,001	42,500	0.7	—
Current portion of long-term borrowings	146	96	0.9	—
Current portion of lease obligations	3,539	4,463	—	—
Long-term borrowings (excluding current portion)	31,003	40,495	1.0	2026 to 2033
Lease obligations (excluding current portion)	7,402	9,937	—	2026 to 2032
Total	117,093	97,492	—	—

- Notes:
1. Average interest rates represent the weighted-average rates applicable to the balances of borrowings at the end of the fiscal year ended March 31, 2025.
 2. The average interest rates of lease obligations are not stated because the amount of lease obligations reported in the consolidated balance sheets is before deducting interest equivalents included in the total lease payments.
 3. The repayment schedule within five years after the consolidated balance sheet date of long-term borrowings and lease obligations (excluding current portion) is as follows:

(Millions of yen)

Category	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years
Long-term borrowings	96	30,096	90	10,089
Lease obligations	3,459	2,751	2,055	1,103

Detailed schedule of asset retirement obligations

This information is omitted as the balances of asset retirement obligations at the beginning and end of the fiscal year ended March 31, 2025, were 1% or less of the total balances of liabilities and net assets at the beginning and end of the fiscal year ended March 31, 2025.

(2) Other information

Semi-annual results for the fiscal year ended March 31, 2025, etc.

	Six months ended September 30, 2024	Fiscal year ended March 31, 2025
Net sales (million yen)	249,905	578,599
Profit before income taxes (million yen)	5,268	27,961
Profit attributable to owners of parent (million yen)	1,418	17,179
Net income per share (Yen)	15.56	189.40

2. Financial Statements, etc.

(1) Financial Statements

1) Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	17,316	13,854
Notes receivable - trade	523	249
Accounts receivable from completed construction contracts	*3 78,097	*3 79,766
Costs on construction contracts in progress	12,776	11,540
Short-term loans receivable	*3 17,291	*3 18,648
Accounts receivable - other	5,832	7,154
Income taxes receivable	988	—
Other	2,341	1,596
Allowance for doubtful accounts	(967)	(1,741)
Total current assets	134,200	131,069
Non-current assets		
Property, plant and equipment		
Buildings and structures	53,761	53,960
Machinery, vehicles, tools, furniture and fixtures	11,864	9,321
Land	21,079	21,726
Leased assets	1,630	1,311
Construction in progress	565	79
Accumulated depreciation	(28,476)	(29,289)
Total property, plant and equipment	60,424	57,109
Intangible assets		
Software	643	4,831
Software in progress	5,509	730
Other	1,042	965
Total intangible assets	7,195	6,527
Investments and other assets		
Investment securities	5,815	5,112
Shares of subsidiaries and affiliates	182,908	*1 192,048
Distressed receivables	—	1,372
Long-term prepaid expenses	376	690
Prepaid pension costs	743	1,221
Deferred tax assets	1,250	1,847
Leasehold and guarantee deposits	859	1,349
Other	418	328
Allowance for doubtful accounts	(176)	(1,472)
Total investments and other assets	192,196	202,497
Total non-current assets	259,816	266,134
Total assets	394,017	397,204

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable for construction contracts	*3 36,543	*3 34,896
Short-term borrowings	75,000	42,500
Lease obligations	315	262
Accounts payable - other	1,594	1,615
Accrued expenses	1,394	1,545
Income taxes payable	332	1,593
Accrued consumption taxes	400	1,171
Advances received on construction contracts in progress	1,704	1,881
Deposits received	*3 65,232	*3 62,961
Provision for loss on construction contracts	1,182	1,307
Provision for bonuses	3,833	3,556
Provision for warranties for completed construction	1,011	17
Other	197	250
Total current liabilities	188,743	153,559
Non-current liabilities		
Bonds payable	—	30,000
Long-term borrowings	30,000	40,000
Provision for share-based compensation	327	391
Provision for retirement benefits	5,485	5,731
Long-term income taxes payable	—	4
Other	1,583	1,562
Total non-current liabilities	37,395	77,689
Total liabilities	226,139	231,249
Net assets		
Shareholders' equity		
Share capital	7,000	7,000
Capital surplus		
Legal capital surplus	2,000	2,000
Other capital surplus	73,066	67,271
Total capital surplus	75,066	69,271
Retained earnings		
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	—	20
Retained earnings brought forward	87,352	90,730
Total retained earnings	87,352	90,751
Treasury shares	(3,793)	(2,934)
Total shareholders' equity	165,625	164,087
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,251	1,866
Total valuation and translation adjustments	2,251	1,866
Total net assets	167,877	165,954
Total liabilities and net assets	394,017	397,204

2) Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales		
Net sales of completed construction contracts	*1 223,378	*1 229,338
Total net sales	223,378	229,338
Cost of sales		
Cost of sales of completed construction contracts	*1 208,623	*1 204,524
Gross profit	14,755	24,814
Selling, general and administrative expenses	*2 17,604	*2 19,775
Operating profit (loss)	(2,849)	5,038
Non-operating income		
Interest income	*1 273	*1 381
Dividend income	*1 7,240	*1 8,315
Foreign exchange gains	433	—
Other	131	217
Total non-operating income	8,079	8,914
Non-operating expenses		
Interest expenses	174	634
Foreign exchange losses	—	495
Provision of allowance for doubtful accounts	969	773
Commission expenses	119	33
Other	67	212
Total non-operating expenses	1,331	2,150
Ordinary profit	3,898	11,801
Extraordinary income		
Gain on sale of non-current assets	*3 116	*3 147
Gain on sale of investment securities	1,459	851
Other	—	46
Total extraordinary income	1,576	1,045
Extraordinary losses		
Loss on retirement of non-current assets	21	18
Loss on valuation of investment securities	202	88
Loss on valuation of shares of subsidiaries	691	—
Loss on liquidation of subsidiaries and affiliates	—	*4 1,483
Loss on division of plan assets	—	308
Other	19	58
Total extraordinary losses	934	1,958
Profit before income taxes	4,540	10,889
Income taxes - current	509	1,496
Income taxes - deferred	(549)	(439)
Total income taxes	(40)	1,056
Profit	4,580	9,832

Detailed schedule of cost of sales

		Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
Category	Notes #	Amount (million yen)	Constituent ratio (%)	Amount (million yen)	Constituent ratio (%)
Materials cost		22,492	10.8	22,626	11.1
Labor cost		1,101	0.5	1,079	0.5
Outsourcing cost		128,487	61.6	129,509	63.3
Expenses		56,541	27.1	51,308	25.1
[personnel expenses included above]		[12,995]	[6.2]	[12,253]	[6.0]
Total		208,623	100	204,524	100

Note: Costs are calculated using job order costing method.

3) Statements of Changes in Net Assets

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity									Valuation and translation adjustments		Total net assets
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings					
					Reserve for tax purpose reduction entry of non-current assets	Retained earnings brought forward						
Balance at beginning of period	7,000	2,000	88,568	90,568	—	88,499	88,499	(12,329)	173,739	2,151	2,151	175,891
Changes during period												
Dividends of surplus						(5,727)	(5,727)		(5,727)			(5,727)
Profit						4,580	4,580		4,580			4,580
Provision of reserve for tax purpose reduction entry of non-current assets									—			—
Reversal of reserve for tax purpose reduction entry of non-current assets									—			—
Purchase of treasury shares								(7,537)	(7,537)			(7,537)
Disposal of treasury shares			9	9				561	571			571
Cancellation of treasury shares			(15,512)	(15,512)				15,512	—			—
Net changes in items other than shareholders' equity										99	99	99
Total changes during period	—	—	(15,502)	(15,502)	—	(1,147)	(1,147)	8,536	(8,113)	99	99	(8,014)
Balance at end of period	7,000	2,000	73,066	75,066	—	87,352	87,352	(3,793)	165,625	2,251	2,251	167,877

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity									Valuation and translation adjustments		Total net assets
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings					
					Reserve for tax purpose reduction entry of non-current assets	Retained earnings brought forward						
Balance at beginning of period	7,000	2,000	73,066	75,066	—	87,352	87,352	(3,793)	165,625	2,251	2,251	167,877
Changes during period												
Dividends of surplus						(6,433)	(6,433)		(6,433)			(6,433)
Profit						9,832	9,832		9,832			9,832
Provision of reserve for tax purpose reduction entry of non-current assets					27	(27)	—		—			—
Reversal of reserve for tax purpose reduction entry of non-current assets					(6)	6	—		—			—
Purchase of treasury shares								(4,987)	(4,987)			(4,987)
Disposal of treasury shares			0	0				50	50			50
Cancellation of treasury shares			(5,795)	(5,795)				5,795	—			—
Net changes in items other than shareholders' equity										(384)	(384)	(384)
Total changes during period	—	—	(5,795)	(5,795)	20	3,378	3,398	858	(1,537)	(384)	(384)	(1,922)
Balance at end of period	7,000	2,000	67,271	69,271	20	90,730	90,751	(2,934)	164,087	1,866	1,866	165,954

Notes to Financial Statements

Significant accounting policies

1. Accounting policy for measuring assets

(1) Accounting policy for measuring securities

1) Shares of subsidiaries and affiliates: stated at cost using the moving-average method.

2) Available-for-sale securities

Securities other than shares, etc. that do not have a market price:

stated at fair value using the mark-to-market method (with any unrealized gain or loss being recognized directly in net assets and the cost of securities sold being determined using the moving-average method).

Shares, etc., that do not have a market price: stated at cost using the moving-average method

(2) Accounting policy for measuring inventories

Costs on construction contracts in progress: stated at cost using the specific identification method

Merchandise: stated at cost using the moving-average method (a method in which carrying amount is written down based on any decline in profitability)

Raw materials and supplies: stated at cost using the moving-average method (a method in which carrying amount is written down based on any decline in profitability)

2. Accounting policy for depreciation of non-current assets

(1) Property, plant and equipment (excluding leased assets)

Depreciated primarily by using the declining-balance method.

However, buildings (except for facilities attached to buildings) acquired by the Company on or after April 1, 1998, facilities attached to buildings and structures acquired on or after April 1, 2016, and assets and solar power generation facilities for the data center business are depreciated on a straight-line basis. Minor depreciable assets with an acquisition cost of 100,000 yen or more but less than 200,000 yen are depreciated on a straight-line basis over three years.

The principal useful lives are as follows:

Building: 5 to 65 years

Others: 2 to 50 years

Assets acquired on or before March 31, 2007, are depreciated on a straight-line basis over five years from the fiscal year following the completion of depreciation to the depreciable limit, and such depreciation is recorded in Depreciation.

(2) Intangible assets (excluding leased assets)

Amortized on a straight-line basis.

Software for internal use is amortized on a straight-line basis over the estimated useful lives of 5 to 7 years.

(3) Leased assets

Leased assets pertaining to finance lease transactions that do not transfer ownership are depreciated on a straight-line basis using the lease term as the useful life and with zero residual value.

3. Accounting policy for significant provisions and allowance

(1) Allowance for doubtful accounts

To provide for potential credit losses on receivables, allowance for doubtful accounts is recorded at an amount of estimated uncollectible receivables calculated based on the historical rate of credit loss for general receivables and determined individually for other receivables, such as doubtful receivables and distressed receivables, by considering each of their collectability.

(2) Provision for loss on construction contracts

To provide for future losses on construction contracts, a provision is recorded in the amount of estimated losses for uncompleted construction contracts at the end of the current fiscal year that are likely to incur losses and for which the amount of losses can be reasonably estimated.

(3) Provision for bonuses

To provide for the payment of bonuses to employees, a provision for bonuses is recorded based on the estimated amount to be paid for the current fiscal year.

(4) Provision for warranties for completed construction

To provide for the costs of warranty against defects in completed construction, a provision for warranties for completed construction is recorded at an amount calculated based on the historical rate of warranty claims over a certain period of time in the past, and at an amount determined individually for specific constructions.

(5) Provision for share-based compensation

To provide for the delivery of shares through the Board Benefit Trust, a provision is recorded at an estimated amount of stock-based remuneration to be paid corresponding to the number of points assigned to officers based on the Officer Stock Benefit Rules.

(6) Provision for retirement benefits

To provide for the payment of retirement benefits to employees, a provision is recorded at an amount deemed to have been incurred as of the end of the current fiscal year based on the estimated amount of retirement benefit obligations and plan assets at the end of the current fiscal year.

1) Method of attributing estimated retirement benefits to accounting periods

In calculating retirement benefit obligations, the benefit formula basis is used to attribute the estimated amount of retirement benefits to periods up to the end of the current fiscal year.

2) Method of accounting for actuarial gains and losses and past service cost

Actuarial gains and losses are amortized on a straight-line basis over a certain number of years (14 years) within the average remaining service period of employees at the time of recognition, from the fiscal year following the respective fiscal year of recognition.

Past service cost is amortized on a straight-line basis over a certain number of years (14 years) within the average remaining service period of employees at the time of recognition.

4. Accounting policy for recognition of significant revenues and expenses

The details of the main performance obligations in the major businesses related to revenue from contracts with the Company's customers and the timing at which the Company typically satisfies these performance obligations (when it typically recognizes revenue) are as follows:

1) Contracted construction

Contracted construction includes telecommunications work (communication infrastructure business), etc., for which construction contracts are concluded.

Performance obligations for these contracts are deemed to be satisfied over time, and revenue is recognized based on the progress toward satisfaction of the performance obligation.

The progress of the construction activity is measured for each contract based on the proportion of construction costs incurred to fulfill performance obligations by the end of the period to the total expected construction costs. In some circumstances, the Company may not be able to reasonably measure the progress of a performance obligation, but expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Company recognizes revenue only to the extent of the costs recovered until such time that it can reasonably measure the progress of the performance obligation.

For construction contracts with a very short period of time between the transaction commencement date and the time when the performance obligation is expected to be fully satisfied, an alternative treatment is applied. The revenue of such contracts is not recognized over a certain period of time, but is recognized when the performance obligation is fully satisfied.

Consideration for transactions in contracted construction is generally received within approximately two months after the customer's acceptance. Such transactions do not contain a significant financing component. If the consideration of the contract with the customer includes variable consideration, it is included in the transaction price only to the extent that it is extremely unlikely to cause a significant reduction in the accumulated amount of revenues recognized when the uncertainty related to variable consideration is subsequently resolved.

2) Sale of goods

The sale of goods mainly includes the sale of information and telecommunications equipment (ICT solutions business). Revenue is recognized when the goods are delivered to the customer, whereby the Company transfers control over the goods to the customer and satisfies the performance obligations.

There are some information and telecommunications equipment and office supplies in which the entire process of manufacturing, shipping and delivery is performed by other parties, and the Company does not have any inventory risk or discretion in establishing prices. Since performance obligations of the Company for such goods are to arrange for the goods to be provided by such other parties and, therefore, the Company considers that it is acting as an agent in the transactions, and recognizes revenue at the net amount after deducting the amount that is paid to the supplier of such goods from the amount received from customers.

Consideration for transactions involving the sale of goods is generally received within approximately two months after the delivery of the goods. Such transactions do not contain a significant financing component or a significant amount of variable consideration.

3) Contracted services

Contracted services mainly include maintenance and inspection of telecommunications facilities (communication infrastructure business). Revenue is recognized at a specific point in time, i.e., upon completion of service provision, whereby the Company transfers control over services to customers and satisfies its performance obligations.

Consideration for transactions involving contracted services is generally received within approximately two months after the completion of the services. Such transactions do not contain a significant financing component or a significant amount of variable consideration.

Significant accounting estimates

1. Net sales of completed construction contracts recognized over time

(1) Amounts recorded in the financial statements for the current fiscal year

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales of completed construction contracts	37,134	52,602

(2) Other information that helps users of the financial statements better understand the details of the accounting estimates

This information is omitted as the content is identical to that in “V. Financial Information, 1. (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements, *Significant accounting estimates*, 1. Net sales recognized over time.”

2. Provision for loss on construction contracts

(1) Amounts recorded in the financial statements for the current fiscal year

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Provision for loss on construction contracts	1,182	1,307

(2) Other information that helps users of the financial statements better understand the details of the accounting estimates

This information is omitted as the content is identical to that in “V. Financial Information, 1. (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements, *Significant accounting estimates*, 2. Provision for loss on construction contracts.”

Additional information

Board Benefit Trust for Directors and Executive Officers

This information is omitted as the content is identical to that in “V. Financial Information, 1. (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements, *Additional information*.”

Balance sheets

*1 Assets pledged as collateral and secured liabilities

Assets pledged as collateral and secured liabilities are as follows.

	As of March 31, 2024	As of March 31, 2025
Shares of subsidiaries and affiliates	—	4,321 million yen

Note: There are no liabilities secured by collateral. The maximum amount secured under the revolving mortgage is 1.8 billion Philippine pesos.

*2 Contingent liabilities

Debt guarantee

The Company provides debt guarantees as follows.

	As of March 31, 2024	As of March 31, 2025
Employees (housing loans)	51 million yen	42 million yen
Lantrovision (S) Ltd (derivative transactions (Note))	7 million Singapore dollars	13 million Singapore dollars

(Note) This transaction is intended to hedge foreign exchange risk and interest rate fluctuation risk associated with collecting principal and receiving interest on loans receivable from the consolidated subsidiary. The amount is a notional principal amount.

*3 Assets and liabilities relating to subsidiaries and affiliates

Items included in each account other than those presented separately are as follows.

	As of March 31, 2024	As of March 31, 2025
Accounts receivable from completed construction contracts	742	1,499
Short-term loans receivable	16,167	17,555
Accounts payable for construction contracts	19,153	17,808
Deposits received	64,381	62,702

Statements of income

*1 Items relating to subsidiaries and affiliates included in each account are as follows.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales of completed construction contracts	1,185	2,249
Cost of sales of completed construction contracts	107,420	103,522
Interest income	188	372
Dividend income	6,978	8,086

*2 Major items of selling, general and administrative expenses, their amount and approximate percentage are as follows.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Salaries and benefits	8,095	8,628
Officer remuneration	326	339
Legal welfare expenses	1,330	1,407
Outsourcing expenses	900	1,141
Rents	331	373
Retirement benefit expenses	275	187
Advertising and promotion expenses	447	495
Depreciation	803	1,072
Repair and maintenance expenses	1,844	2,510
Approximate percentage		
Selling expenses	41%	38%
General and administrative expenses	59%	62%

*3 Details of gain on sale of property, plant and equipment are as follows.

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Buildings and structures	—	7
Machinery, vehicles, tools, furniture and fixtures	6	1
Land	110	141
Other	0	(2)
Total	116	147

*4 Details of loss on liquidation of subsidiaries and affiliates are as follows.

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Loss on valuation of shares	—	51
Provision of allowance for doubtful accounts	—	1,432

Securities

As of March 31, 2024

The fair value of shares of subsidiaries and affiliates is not shown because they are shares, etc., that do not have market prices. The carrying amount of shares, etc., of subsidiaries and affiliates that do not have market prices in the balance sheets are as follows.

	(Millions of yen)
Category	March 31, 2024
Shares of subsidiaries	177,922
Shares of affiliates	4,985
Total	182,908

As of March 31, 2025

The fair value of shares of subsidiaries and affiliates is not shown because they are shares, etc., that do not have market prices. The carrying amounts of shares, etc., of subsidiaries and affiliates that do not have market prices in the balance sheets are as follows.

	(Millions of yen)
Category	March 31, 2025
Shares of subsidiaries	187,088
Shares of affiliates	4,959
Total	192,048

Tax effect accounting

1. Significant components of deferred tax assets and deferred tax liabilities

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Deferred tax assets		
Provision for retirement benefits	1,679	1,803
Provision for bonuses	1,173	1,089
Allowance for doubtful accounts	350	1,012
Loss on valuation of shares of subsidiaries	526	557
Provision for loss on construction contracts	362	400
Other	1,652	1,512
Subtotal of deferred tax assets	5,744	6,375
Less valuation allowance	(1,668)	(1,774)
Total deferred tax assets	4,076	4,600
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(945)	(787)
Valuation difference on non-current assets	(485)	(463)
Prepaid pension costs	(220)	(379)
Reserve for tax purpose reduction entry of non-current assets	(355)	(371)
Reserve for tax purpose reduction entry of replacement assets	(274)	(282)
Other	(544)	(468)
Total deferred tax liabilities	(2,825)	(2,753)
Deferred tax assets (liabilities), net	1,250	1,847

2. Reconciliation between statutory effective tax rate and the actual effective tax rate after applying tax effect accounting

	(%)	
	As of March 31, 2024	As of March 31, 2025
Statutory effective tax rate	30.6	30.6
Adjustments:		
Expenses not deductible for income tax purposes (e.g. entertainment expenses)	1.0	0.4
Income not taxable for income tax purposes (e.g. dividend income)	(47.8)	(22.9)
Inhabitant tax on per capita basis	2.1	0.9
Change in valuation allowance	13.6	1.0
Other	(0.4)	(0.4)
Actual effective tax rate after applying tax effect accounting	(0.9)	9.7

3. Revisions to the amounts of deferred tax assets and deferred tax liabilities due to changes in income tax rates

The Act for Partial Amendment of the Income Tax Act, etc. (Act No. 13 of 2025) was passed by the Diet on March 31, 2025, and a special defense corporation tax will be imposed from the fiscal year beginning on or after April 1, 2026.

Accordingly, the statutory effective tax rate has been changed from 30.6% to 31.5% for the calculation of deferred tax assets and deferred tax liabilities for temporary differences and other tax attributes that are expected to be resolved in fiscal years beginning on or after April 1, 2026.

Due to this change, deferred tax assets (net of deferred tax liabilities) as of March 31, 2025, increased by 2 million yen, and income taxes - deferred and valuation difference on available-for-sale securities for the fiscal year ended March 31, 2025, decreased by 25 million yen and 22 million yen, respectively.

4. Accounting treatment of national and local income taxes or tax effect accounting related thereto

The Company has adopted the Group Tax Sharing System. The accounting treatment and disclosure of national and local income taxes or tax effect accounting related thereto, are in accordance with the *Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System* (Practical Solution No. 42, August 12, 2021).

Business combination***Business combination through acquisition***

This note is omitted as the content is identical to that in “V. Financial Information, 1. (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements, *Business combination*.”

Revenue recognition

Information to provide a basis for understanding revenue from contracts with customers is omitted as the content is identical to that in the Financial Statements, etc. “Notes to Financial Statements, Significant accounting policies, 4. Accounting policy for recognition of significant revenues and expenses.”

Significant subsequent events***Purchase of treasury shares***

This information is omitted as the content is identical to that in “V. Financial Information, 1. (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements, *Significant subsequent events*.”

4) Supplementary schedules

Detailed schedule of securities

Equity securities

Name of bond			Number of shares (shares)	Carrying amount on balance sheets (millions of yen)
Investment securities	Available- for-sale securities	Nippon Telegraph and Telephone Corporation	4,560,000	659
		Mizuho Financial Group, Inc.	149,351	605
		Nippon Densetsu Kogyo Co., Ltd.	225,000	472
		KDDI Corporation	74,600	352
		Mitsubishi UFJ Financial Group, Inc.	173,197	348
		Fujikura Ltd.	51,000	275
		Sumitomo Electric Industries, Ltd.	84,000	207
		Hibiya Engineering, Ltd.	61,000	190
		Nihon Dengyo Kosaku Co., Ltd.	375,732	187
		Sumitomo Densetsu Co., Ltd.	32,300	156
		Mitsubishi Electric Corporation	50,000	136
		Techfirm Holdings Inc.	200,000	131
		Fuji Kyuko Co., Ltd.	50,000	112
		Pilot Corporation	23,000	95
		The Keiyo Bank, Ltd.	100,000	89
		43 other stocks	745,018	560
Total			6,954,198	4,580

Other

Class and stock			Units, etc.	Carrying amount on balance sheets (millions of yen)
Investment securities	Available- for-sale securities	Contribution to investment limited partnership or similar association		
		B Dash Fund	60 units	251
		Translink Capital Call	—	234
		1 other stock	—	45
Total			60 units	531

Detailed schedule of property, plant and equipment, etc.

(Millions of yen)

Type of assets	Balance at beginning of period	Increase during period	Decrease during period	Balance at end of period	Accumulated depreciation or amortization at end of period	Depreciation/Amortization	Net balance at end of period
Property, plant and equipment							
Buildings and structures	53,761	404	205	53,960	22,686	2,293	31,274
Machinery, vehicles, tools, furniture and fixtures	11,864	841	3,384	9,321	5,820	753	3,501
Land	21,079	1,033	386	21,726	—	—	21,726
Leased assets	1,630	77	396	1,311	782	287	528
Construction in progress	565	209	695	79	—	—	79
Total property, plant and equipment	88,901	2,567	5,068	86,399	29,289	3,334	57,109
Intangible assets							
Software	1,362	5,049	21	6,390	1,559	857	4,831
Software in progress	5,509	1,070	5,849	730	—	—	730
Other	1,376	—	—	1,376	410	76	965
Total intangible assets	8,248	6,119	5,870	8,497	1,970	934	6,527

- Notes:
1. The balances at the beginning and end of the period are stated at cost.
 2. Land increased by 1,033 million yen due to the acquisition of land for the Kashiwa Technical Center.
 3. Software increased by 4,678 million yen as a result of the acceptance of the core system, with software in progress decreasing by the same amount.
 4. Software in progress increased by 787 million yen due to system development for internal use.

Detailed schedule of provisions

(Millions of yen)

Account	Balance at beginning of period	Increase during period	Decrease during period	Balance at end of period
Allowance for doubtful accounts	1,143	2,073	2	3,214
Provision for loss on construction contracts	1,182	1,022	897	1,307
Provision for bonuses	3,833	3,556	3,833	3,556
Provision for warranties for completed construction	1,011	17	1,011	17
Provision for share-based compensation	327	91	26	391
Provision for retirement benefits	5,485	323	77	5,731

(2) Components of major assets and liabilities

This information is omitted because the MIRAIT Group has prepared the consolidated financial statements.

(3) Other information

Not applicable.

VI. Outline of Share-related Administration of Reporting Company

Fiscal Year	From April 1 to March 31 of the following year		
Ordinary General Meeting of Shareholders	June		
Record date	March 31		
Record date for dividend of surplus	March 31 and September 30		
Number of shares constituting one unit	100 shares		
Purchase or additional purchase of shares of less than one unit	<div>Handling office</div> <div>Shareholder register administrator</div> <div>Forwarding office</div> <div>Purchase or additional purchase fee</div>		
Method of public notice	<div>(Special account)</div> <div>Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation 1-4-5, Marunouchi, Chiyoda-ku, Tokyo</div> <div>(Special account)</div> <div>Mitsubishi UFJ Trust and Banking Corporation 1-4-5, Marunouchi, Chiyoda-ku, Tokyo</div> <div>–</div> <div>Separately specified amount equivalent to share trading brokerage fees</div>		
Special benefits for shareholders	The Company gives public notices in a digital format. However, if a digital format is not possible due to accidents or other unavoidable circumstances, public notices will be published in The Nihon Keizai Shimbun.		
	Digital public notices are posted on the Company’s website at https://www.mirait-one.com/english/ .		
	The Company offers shareholder benefits to all shareholders holding at least 100 shares of the Company’s shares and are recorded under an identical shareholder number on the shareholder registry for 1 year or more as at the end of each fiscal year (March 31), based on the following criteria.		
	Number of shares held	Duration of shareholding	Benefits
	100 shares or more	1 year or more*	An electronic money or QUO Card worth 1,000 yen or 1 kg of MIRAIT ONE rice (by lottery, limited to 500 shareholders who opted for electromagnetic means) or a donation of comparable value to a social contribution organization
	500 shares or more	1 year or more*	An electronic money or QUO Card worth 2,000 yen or a donation of comparable value to a social contribution organization
1,000 shares or more	1 year to less than 3 years*	An electronic money or QUO Card worth 3,000 yen or a donation of comparable value to a social contribution organization	
	3 years or more**	An electronic money or QUO Card worth 4,000 yen or 5 kg of MIRAIT ONE rice (by lottery, limited to 150 shareholders who opted for electromagnetic means) or a donation of comparable value to a social contribution organization	
<div>Notes:</div> <div>1. Duration of shareholding shall be determined as of March 31 of each year.</div> <div>* Holding for 1 year or more refers to a recording of at least three consecutive times as holding at least 100 shares the Company’s shares under an identical shareholder number on the shareholder registry as of September 30 and March 31 of each year.</div> <div>** Holding for 3 years or more refers to a recording of at least seven consecutive times as holding at least 100 shares of the Company’s shares under an identical shareholder number on the shareholder registry as of September 30 and March 31 of each year.</div> <div>2. If the shareholder number changes due to inheritance or removal from the shareholder registry, the duration of shareholding will be determined on the basis of the shareholder number after the change.</div> <div>3. Electronic money includes the following seven types: PayPay, d POINTs, Ponta Points, Amazon, WAON, nanaco, and Apple.</div> <div>4. Shareholder benefit information and application form will be enclosed with the notice of an ordinary general meeting of shareholders to be sent to shareholders.</div>			

Note: A shareholder of the Company may not exercise any rights other than those listed below with respect to shares of less than one unit held by such shareholder:

- Rights which cannot be restricted even by the Articles of Incorporation under laws and regulations
- Rights to receive allocation of shares for subscription and allocation of share acquisition rights for subscription in proportion to the number of shares held by the shareholder
- Rights to request the Company to sell the number of shares that will, together with the number of shares of less than one unit held by the shareholder, constitute one unit of shares

VII. Reference Information of Reporting Company

1. Information on Parent Company, etc. of Reporting Company

The Company does not have a parent company, etc., as prescribed in Article 24-7, Paragraph 1 of the Financial Instruments and Exchange Act.

2. Other Reference Information

(1) Documents filed by the Company from the beginning of this fiscal year until the filing date of this Annual Securities Report
From the beginning of this fiscal year until the filing date of this Annual Securities Report, the Company filed the following documents:

- 1) Annual Securities Report, documents attached thereto and Confirmation Letter
Filed for the 14th fiscal year (from April 1, 2023 to March 31, 2024) with the Director-General of the Kanto Local Finance Bureau on June 26, 2024
- 2) Internal Control Report and documents attached thereto
Filed for the 14th fiscal year (from April 1, 2023 to March 31, 2024) with the Director-General of the Kanto Local Finance Bureau on June 26, 2024
- 3) Semi-annual Securities Reports and Confirmation Letters
Filed for the first half of the 15th fiscal year (from April 1, 2024, to September 30, 2024) with the Director-General of the Kanto Local Finance Bureau on November 13, 2024.
- 4) Extraordinary Reports
Filed the Extraordinary Report pursuant to the provisions of Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Order on Disclosure of Corporate Affairs (results of exercise of voting rights at a general meeting of shareholders) with the Director-General of the Kanto Local Finance Bureau on June 26, 2024.
- 5) Share Buyback Reports
Filed with the Director-General of Kanto Local Finance Bureau on July 3, 2024; August 5, 2024; September 4, 2024; October 3, 2024; December 4, 2024; January 7, 2025; February 5, 2025; March 5, 2025; April 3, 2025; and June 4, 2025.
- 6) Shelf Registration Statement (Corporate Bonds) and documents attached thereto
Filed with the Director-General of Kanto Local Finance Bureau on April 11, 2024.
- 7) Amendment to Shelf Registration Statement (Corporate Bonds)
Filed with the Director-General of Kanto Local Finance Bureau on June 26, 2024.
- 8) Shelf Registration Supplements (Corporate Bonds) and documents attached thereto
Filed with the Director-General of Kanto Local Finance Bureau on September 6, 2024.

(2) Ratio of women in managerial positions, rate of parental leave taken by male employees, and gender wage gap

Ratio of women in managerial positions, rate of parental leave taken by male employees, and gender wage gap in consolidated subsidiaries excluding major consolidated subsidiaries are as follows:

Fiscal year ended March 31, 2025					
Name	Ratio of women in managerial positions (%) (Notes 1, 2)	Rate of parental leave taken by male employees (%) (Notes 1, 2)	Gender wage gap (%) (Notes 1, 2, 3)		
			All employees	Regular employees	Part-time and fixed-term employees
AST-ENG Corp.	2.9	0.0	69.5	80.8	81.5
Kinki Denki Corp.	0.0	—	41.3	46.8	41.1
Koyo Engineering Co., Ltd.	0.0	25.0	57.6	58.2	12.3
COTONET ENGINEERING Co., Ltd.	9.7	100.0	71.0	77.1	73.3
Comlead Co., Ltd.	16.1	100.0	84.3	80.4	114.2
SINKO ELECTRIC CORP.	8.7	100.0	89.6	85.1	114.1
Nissetsu Co., Ltd.	3.6	0.0	62.8	61.0	77.8
HOPE NET Co., Ltd.	14.6	0.0	84.6	74.4	91.1
MIRAIT Mobile East Co., Ltd.	0.9	100.0	67.1	77.0	60.6
MIRAIT Mobile West Co., Ltd.	5.1	50.0	72.1	78.0	98.0
MIRAIT ONE NEXT Corporation	4.4	0.0	70.6	72.8	79.3
Meisei Correspondence Co., Ltd.	0.0	—	95.8	97.0	137.6
Lapisnet Co., Ltd.	6.5	—	82.8	96.7	70.8
Libnet Co., Ltd.	33.3	—	44.5	65.8	66.8
TTK ENG Fukushima Co., Ltd.	8.3	—	77.0	65.5	103.9
TTK ENG Miyagi Co., Ltd.	0.0	100.0	68.2	67.1	87.7
TTK ENG Yamagata Co., Ltd.	8.3	—	73.4	54.3	114.3
HOKUBU Co., Ltd.	11.8	100.0	98.4	89.6	88.8
Solcom Business Service Corporation	33.3	100.0	99.5	89.1	97.2
SOLCOMMEISTER Co., Ltd.	0.0	20.0	84.1	78.2	89.2
STK Techno Corporation	0.0	—	58.6	62.0	102.8
ACTIS Co., Ltd.	6.3	100.0	81.9	82.8	65.4
Trust System Corporation	2.6	50.0	75.8	76.6	—
Kokusai Data Production Center Co., Ltd.	8.0	—	52.9	61.4	48.8

Fiscal year ended March 31, 2025					
Name	Ratio of women in managerial positions (%) (Notes 1, 2)	Rate of parental leave taken by male employees (%) (Notes 1, 2)	Gender wage gap (%) (Notes 1, 2, 3)		
			All employees	Regular employees	Part-time and fixed-term employees
Meiji Consultant co., Ltd.	6.8	100	79.3	78.3	56.5
Ryukyu Kokusai Kogyo Co., Ltd.	25.0	—	48.2	48.6	56.2

- Notes:
1. Figures are calculated in accordance with the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).
 2. The ratio of women in managerial positions is as of March 31, 2025, and the rate of parental leave taken by male employees and the gender wage gap are the actual results for the fiscal year ended March 31, 2025. The data includes individuals seconded from the subject company to other companies, and excludes those seconded from other companies to the subject company.
 3. Wages are calculated inclusive of base salary, overtime compensation, bonuses, etc., and exclusive of retirement allowance, commuting allowance, etc.
Part-time and fixed-term employees include fixed-term contract employees, temporary employees, and part-timers. Wages for part-timers are calculated based on actual wages paid, not converted to full-time equivalents.

Part 2 Information on Guarantor of Reporting Company

Not applicable.

Independent Auditor's Report on the Financial Statements and Internal Control Over Financial Reporting

June 20, 2025

To the Board of Directors of MIRAIT ONE Corporation

KPMG AZSA LLC

Tokyo Office, Japan

Designated Limited Liability Partner, Engagement Partner	Certified public accountant	Ryoichi Isashi
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Designated Limited Liability Partner, Engagement Partner	Certified public accountant	Keiji Kobayashi
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Designated Limited Liability Partner, Engagement Partner	Certified public accountant	Fumitaka Otani
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Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of MIRAIT ONE Corporation (the “Company”) and its consolidated subsidiaries (collectively referred to as the “Group”) from April 1, 2024 to March 31, 2025, provided in the “Financial Information” section in the Company’s Annual Securities Report, which comprise the consolidated balance sheets, the consolidated statements of income and comprehensive income, consolidated statements of changes in net assets and consolidated statements of cash flows, and a summary of significant accounting policies, other explanatory information and supplementary schedules, in accordance with Article 193-2 (1) of the Financial Instruments and Exchange Act of Japan.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025, and its consolidated financial performance and cash flows for the year then ended, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the “*Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements*” section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reasonableness of estimated total costs of contracted work with revenue recognized over time	
The key audit matter	How the matter was addressed in our audit
<p>As described in the “<i>Significant accounting estimates</i>, 1. Net sales recognized over time” in the Notes to Consolidated Financial Statements, the net sales recognized over time in the fiscal year ended March 31, 2025, amounted to 228,423 million yen, which accounted for 39.5% of total consolidated net sales.</p> <p>As described in the “<i>Significant accounting policies for preparation of consolidated financial statements</i>, 4. Disclosure of accounting policies, (5) Accounting policy for recognition of significant revenues and expenses” in the Notes to Consolidated Financial Statements, the Group recognizes revenue from contracted work in which progress toward complete satisfaction of performance obligations can be reasonably estimated, deeming it a performance obligation to be satisfied over time, based on the progress toward satisfaction of such performance obligation; however, excluded is construction contract and custom software development with a very short period between the transaction commencement date in contract and the time when the performance obligations are expected to be completely satisfied. The progress of the work is measured for each contract based on the proportion of costs incurred to fulfill performance obligations by the end of the period to the total costs.</p> <p>An accurate estimate of contracted work progress requires a reasonable estimate of the total cost. However, as the basic specifications and work details are highly customized according to the customer’s instructions, expense items and amount of costs expected to incur vary depending on each work. Moreover, making timely and appropriate adjustments to total costs is complex due to changes in specifications in ongoing contracted work, fluctuations in material and subcontracting expenses and labor unit costs, delays that cause extensions, and other factors. Therefore, in preparing and revising the project budget, which is used as the basis for estimating the total costs, it is difficult to exercise judgment based on a uniform scale, with professional judgment required for each individual contracted work. In the end, such estimated total costs are subject to a high level of uncertainty.</p> <p>We, therefore, determined that our assessment of the reasonableness of the estimated total costs of contracted work with revenue recognized over time was of most significance in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.</p>	<p>In order to assess the reasonableness of the estimated total costs of contracted work with revenue recognized over time, we implemented the following procedures:</p> <p>(1) Internal control testing</p> <p>We tested the design and operating effectiveness of certain of the Company’s internal controls relevant to the process of managing a project budget. In this assessment, we focused our testing on the following controls:</p> <ul style="list-style-type: none"> Controls to approve the project budget based on the Rules of Responsibility and Authority Controls to confirm that the changes in circumstances after the start of work are timely and appropriately reflected in the project budget <p>(2) Assessment of the reasonableness of the estimated total costs</p> <p>In order to assess the reasonableness of the estimated total costs and the timeliness and appropriateness of the revised project budget, we:</p> <ul style="list-style-type: none"> assessed the accuracy of the revised project budget by analyzing the reasons for the differences in the estimated total costs for contracted work that had undergone significant changes from the initial budget; inspected the minutes of various meetings and inquired with responsible divisions and departments to confirm that no events requiring reflection in the estimated total costs had occurred; made a trend analysis of profit and loss for each fiscal year, for the contracted work with significant profit fluctuations, inquired with project managers about the causes of the fluctuations and compared the estimated costs to documents from vendors, including estimates of material and subcontracting costs, that served as a basis for the estimated costs; and made a comparative analysis of the progress of contracted work and the progress rate based on the elapsed period of time and, for the contracted work with significant deviation, assessed whether the project budgets were updated timely and appropriately, by inquiring with project managers about any changes in circumstances that require review of the project budget and verifying the consistency with the latest process chart.

Other Information

The other information comprises the information included in the Annual Securities Report, but does not include the consolidated financial statements, financial statements, and our auditor’s reports thereon. Management is responsible for preparing and presenting the other information. The Audit and Supervisory Committee is responsible for overseeing the Directors’ performance of their duties with regard to the design, implementation, and maintenance of the Group’s reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of their duties, including the design, implementation, and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. The audit procedures to be selected and applied depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the audit of the consolidated financial statements in order to obtain sufficient and appropriate audit evidence regarding the financial information of the Group to provide a basis for our opinion thereon. We are responsible for the direction, supervision, and review of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with the Committee all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, details of measures for eliminating obstruction factors or details of safeguards in place for reducing obstruction factors to an acceptable range.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current fiscal year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Internal Control Report

Opinion

We have also audited the accompanying internal control report of the Company as of March 31, 2025, in accordance with Article 193-2 (2) of the Financial Instruments and Exchange Act of Japan.

In our opinion, the accompanying internal control report, which states that the Company's internal control over financial reporting was effective as at March 31, 2025, presents fairly, in all material respects, the results of the assessments of internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our audit of the internal control report in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the "*Auditor's Responsibilities for the Audit of the Internal Control Report*" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the internal control report in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit and Supervisory Committee for the Internal Control Report

Management is responsible for the design and operation of internal control over financial reporting, and the preparation and fair presentation of the internal control report in accordance with the assessment standards for internal control over financial reporting generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing and examining the design and operation of internal control over financial reporting.

Internal control over financial reporting may not completely prevent or detect financial statement misstatements.

Auditor's Responsibilities for the Audit of the Internal Control Report

Our objectives are to obtain reasonable assurance about whether the internal control report is free from material misstatement based on our audit of the internal control report and to issue an auditor's report that includes our opinion from an independent point of view.

As part of our audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform procedures to obtain audit evidence about the results of the assessments of internal control over financial reporting in the internal control report. The procedures for the audit of the internal control report are selected and performed, depending on the auditor's judgment, based on the significance of the effect on the reliability of financial reporting.
- Evaluate the overall presentation of the internal control report, including the appropriateness of the scope, procedures, and results of the assessments that management presents.
- Plan and perform the audit of the internal control report in order to obtain sufficient and appropriate audit evidence about the results of the assessments of internal control over financial reporting in the internal control report. We are responsible for the direction, supervision, and review of the audit of the internal control report. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of our audit of the internal control report, the results thereof, material weaknesses in internal control identified during our audit, those that were remediated, and other matters required by auditing standards for internal control.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, details of measures for eliminating obstruction factors or details of safeguards in place for reducing obstruction factors to an acceptable range.

Information Regarding Fees

Fees for audit certification services and fees for non-audit services of the Company and its subsidiaries paid to person(s) who belong to KPMG AZSA LLC or the same network of KPMG AZSA LLC are stated in "IV. Information about Reporting Company, 4. Corporate Governance, (3) Audits."

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its engagement partners do not have any interest in the Group, which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes: 1. The original copy of the above Independent Auditor's Report is in the custody of the Company, the filing company of this Annual Securities Report.

2. The XBRL data is not included in the scope of the audit.

Independent Auditor's Report

June 20, 2025

To the Board of Directors of MIRAITS ONE Corporation

KPMG AZSA LLC

Tokyo Office, Japan

Designated Limited Liability Partner,
Engagement Partner

Certified public accountant Ryoichi Isashi

Designated Limited Liability Partner,
Engagement Partner

Certified public accountant Keiji Kobayashi

Designated Limited Liability Partner,
Engagement Partner

Certified public accountant Fumitaka Otani

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of MIRAITS ONE Corporation (the "Company") for the 15th fiscal year from April 1, 2024 to March 31, 2025, provided in the "Financial Information" section in the Company's Annual Securities Report, which comprise the balance sheet, the statement of income and statement of changes in net assets, and a summary of significant accounting policies, other explanatory information and supplementary schedules, in accordance with Article 193-2 (1) of the Financial Instruments and Exchange Act of Japan.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current fiscal year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reasonableness of estimated total costs for construction contracts with revenue recognized over time
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<p>As described in the "Significant accounting estimates, 1. Net sales of completed construction contracts recognized over time" in the Notes to Financial Statements, the net sales of completed construction contracts recognized over time in the fiscal year ended March 31, 2025, amounted to 52,602 million yen, which accounted for 22.9% of total net sales.</p>
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<p>We determined that our assessment of the reasonableness of the estimated total costs for construction contracts with revenue recognized over time was of most significance in our audit of the financial statements for the current fiscal year, and accordingly, a "key audit matter." However, we omit the descriptions of the key audit matter and how the matter was addressed in our audit to be provided in our auditor's report on the financial statements as they are substantially the same as those described for the key audit matter, "Reasonableness of estimated total costs of contracted work with revenue recognized over time" in our auditor's report on the consolidated financial statements.</p>
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Other Information

The other information comprises the information included in the Annual Securities Report, but does not include the consolidated financial statements, financial statements, and our auditor's reports thereon. Management is responsible for preparing and presenting the other information. The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of their duties with regard to the design, implementation, and maintenance of the Company's reporting process for the other information.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for designing, implementing, and maintaining such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of their duties, including the design, implementation, and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depend on the auditor's judgment.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion on the financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with the Committee all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, details of measures for eliminating obstruction factors or details of safeguards in place for reducing obstruction factors to an acceptable range.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the financial statements of the current fiscal year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Information Regarding Fees

Information regarding fees is stated in the audit report for the consolidated financial statements.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its engagement partners do not have any interest in the Company, which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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- Notes: 1. The original copy of the above Independent Auditor's Report is in the custody of the Company, the filing company of this Annual Securities Report.
2. The XBRL data is not included in the scope of the audit.

[Cover]

[Document Filed]	Internal Control Report
[Applicable Law]	Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Filed with]	Director-General, Kanto Local Finance Bureau
[Filing Date]	June 23, 2025
[Company Name]	MIRAIT ONE Corporation
[Company Name in English]	MIRAIT ONE Corporation
[Title and Name of Representative]	Toshiki Nakayama, President and CEO
[Title and Name of CFO]	Takaaki Mitsuya, Director and CFO
[Address of Head Office]	5-6-36 Toyosu, Koto-ku, Tokyo
[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo)

1. Matters Related to the Basic Framework of Internal Control over Financial Reporting

Toshiki Nakayama, President and CEO, and Takaaki Mitsuya, CFO, are responsible for the design, implementation and maintenance of the Company's internal control over financial reporting, and design, implement and maintain internal control over financial reporting in accordance with the basic framework of internal control stated in "On the Revision of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)" published by the Business Accounting Council.

Internal control aims at achieving its objectives to a reasonable extent with the organized and integrated function of individual components as a whole. Therefore, internal control over financial reporting may not fully prevent or detect misstatements in financial reporting.

2. Matters Related to the Scope of Assessment, Base Date, and Assessment Procedures

Management assessed internal control over financial reporting at the end of the fiscal year ended March 31, 2025, as the base date in accordance with the generally accepted assessment standards for internal control over financial reporting.

In assessing such internal control, management first assessed internal control significantly affecting overall consolidated financial reporting (company-level controls), and based on the results of such assessment, management selected business processes to be assessed. In assessing the business processes, management first analyzed the selected business processes, identified key controls significantly affecting the reliability of financial reporting, and assessed the design, implementation and maintenance of the key controls, thereby assessing the effectiveness of internal control.

Management determined the scope of assessment of internal control over financial reporting to the extent necessary from the viewpoint of the significance of effects on the reliability of financial reporting for the Company, its consolidated subsidiaries and entities accounted for using the equity method.

Management determined the significance of effects on the reliability of financial reporting in consideration of quantitative and qualitative effects as well as the likelihood of their occurrence. Based on the results of the assessments of the company-level controls covering the Company and its 27 consolidated subsidiaries, management reasonably determined the scope of assessment of internal control over business processes.

Management deemed that the consolidated subsidiaries and entities accounted for using the equity method, other than the Company and its 27 consolidated subsidiaries, do not have a significant impact on financial reporting and therefore excluded them from the scope of assessment of the company-level controls.

In determining the scope of assessment of internal control over business processes, management considered that the profit margins across the Group's multiple businesses showed no large discrepancies, and deemed net sales to be an appropriate criterion for assessing the significance of business locations. Accordingly, management used net sales as the criterion for selecting significant business locations. Specifically, management selected 12 business divisions of the Company and its six major consolidated subsidiaries as significant business locations, whose net sales for the fiscal year ended March 31, 2024, accounted for appropriately two-thirds of consolidated net sales for the fiscal year ended March 31, 2024, when being added up in descending order of amount (after the elimination of transactions between consolidated companies). For the selected business locations, management included business processes in the scope of assessment, which are important for assessing the operating results, financial position and other financial performance of the main businesses and impact the accounts that are closely associated with the Company's business objectives, that is, net sales, notes receivable, accounts receivable from completed construction contracts and other, and costs on construction contracts in progress. For the selected business locations and any other business locations, management individually added business processes relating to significant accounts that have a high likelihood of material misstatements and involve estimates and forecasts, as these processes have a significant impact on financial reporting in the scope of assessment. Specifically, management added business processes relating to provision for loss on construction contracts, tax effect accounting, provision for retirement benefits, and goodwill valuation in the scope of assessment.

3. Matters Related to the Results of Assessments

As a result of the assessments above, management concluded that as of March 31, 2025, the Company's internal control over financial reporting is effective.

4. Supplementary Matters

Not applicable.

5. Special Notes

Not applicable.