

MIYAJI ENGINEERING GROUP, INC.

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<https://www.miyaji-eng.com/en/>



MIYAJI ENGINEERING GROUP, INC.

Integrated Report

2024





Management Philosophy

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



MIYAJI ENGINEERING GROUP is one of the most comprehensive engineering companies in the bridge industry, with advanced design and manufacturing technology, construction planning and safe and secure on-site construction capabilities for new construction as well as maintenance and renovation work of steel bridge.

We are also steel structure specialists, with on-site construction capabilities for structures with large interior spaces and special buildings such as towers and domes, as well as design and manufacturing technologies for coastal structures such as immersed tube tunnels and caissons.

As a contributor to social infrastructure development, our Group will ensure the safety and security of the public and help build an affluent society through the construction, maintenance and renovation of steel structures, including bridges, while striving to sustainably improve corporate value.





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Editorial Policy

In FY2023, MIYAJI ENGINEERING GROUP, INC. (hereinafter, "MEG") began publishing an Integrated Report in order to inform all stakeholders of MEG's ideals, business model, features, efforts to create sustainable social value, and initiatives for increasing our corporate value over the medium and long term. This is the second Integrated Report.

Notes regarding Forward-looking Statements

Forward-looking statements such as business forecasts contained in this report are forecasts made by the Company based on information available at the time of the report's preparation. They include latent risks, uncertainty, and other factors.

Therefore, please note that actual business performance may differ significantly from the forecasts due to changes in various factors.

Report Scope

MIYAJI ENGINEERING GROUP, INC. (MEG)
MIYAJI ENGINEERING CO., LTD. (MEC)
MM BRIDGE CO., LTD. (MMB)

Reporting Period

April 1, 2023 to March 31, 2024

*Some information from before and after the reporting period is also included in the report.



Cover photograph:

The ramp bridge for the newly constructed Tobishima Junction, located at the junction of the Nagoya-daini-kanijo Expressway and Isewangan Expressway, being erected at once using a super-large crane.

◀ Photograph:

Construction of the steel roof for the new Takanawa Gateway Station building, which has been built on the site of a former depot. As the work took place in close proximity to the Tokaido Line, advanced safety management was required. The complex origami-shaped roof frame, composed of hybrid beams made of steel and laminated wood, had slopes that proved difficult to adjust to all components, making this a highly difficult project that required extremely strict precision control and construction capabilities.

Message from the President



As a company that
thrives and grows along with its stakeholders,
we are contributing to society through our pioneering efforts,
driven by our pride and passion for our work

Shigetoshi Aota

President and Representative Director

From our 115th anniversary of the founding and 20th anniversary of the establishment

We reached important milestones in FY2023, which marked the 115th anniversary of our founding and the 20th anniversary of our establishment as MIYAJI ENGINEERING GROUP, INC. During this long history, we faced times when the business environment exceeded the limits of management, such as the postponement of the Honshu-Shikoku Bridge Project due to the first oil shock and the drastic reduction of public works spending as a result of changes in government policy made by the Koizumi administration. Our predecessors used their astute insight and comprehensive foresight to weather these difficult times, and overcame these challenges with the pride and passion for work of the employees who walked alongside them. We also cannot forget the kind understanding and support of our shareholders, partner companies, and many other stakeholders during these hard times.

Amid the ongoing conflict between Ukraine and Russia, the global situation is becoming increasingly chaotic, such as the large-scale military conflict between Israel and Palestine in the Gaza Strip, and is far from reaching a fundamental solution, despite the mediation of the United States and other nations. These issues have

also affected the global economy and energy supply, and have led to a trend of rising prices for steel materials and other products. While dealing with these issues has also been putting pressure on our operations, the Group has been implementing workstyle reforms by using DX (digital transformation)-related technologies to improve operational efficiency, such as using 3D models for structural analysis, automating measurement work and ledger creation, and expanding the use of tablets to include remote inspection. Through such measures, we are striving to achieve the goals of our Medium-Term Business Plan (FY2022 to FY2026).

As the President of the MIYAJI ENGINEERING GROUP, I believe that the Group's greatest strength is the determination to create infrastructure for Japan by contributing to society as a company that thrives and grows along with its stakeholders through our pioneering efforts, driven by our pride and passion for our work. I also believe that this strength is the foundation that supports our continuous growth going forward. I would like to share with you my thoughts as we approach the interim year of our Medium-Term Business Plan (FY2022 to FY2026).



Commemorative ceremony was held in October 2023, to celebrate the 115th anniversary of the MIYAJI ENGINEERING GROUP's founding and the 20th anniversary of its establishment

Message from the President

Value creation process of the MIYAJI ENGINEERING GROUP

1. Transformation of our business and capital strategies aimed at achieving sustainable growth - Merger, alliance, and changes in business environment -

The Group has made significant strides over the past decade or so. In FY2011, when MIYAJI ENGINEERING CO., LTD. was established through the merger of MIYAJI IRON WORKS CO., LTD. and MIYAJI CONSTRUCTION & ENGINEERING CO., LTD., the situation was critical with the Company only generating ¥17.9 billion in net sales and ¥0.4 billion in operating profit. However, this merger brought forth a driving force consisting of fabrication, which is performed in a plant, and engineering, which is performed on-site, marking the first step of our major leap toward enhancing our corporate value. This momentum further accelerated in 2015 when we acquired a 51% stake in Mitsubishi Heavy Industries Bridge & Steel Structures Engineering Co., Ltd., a wholly owned subsidiary of Mitsubishi Heavy Industries, Ltd., and turned it a Group company, MM BRIDGE CO., LTD.

By capturing changes in the market environment and shifting our management resources from new bridge construction to large-scale renovation and maintenance-related construction, we were able to further increase our business performance and secure record high sales and profits in FY2023.

Furthermore, on August 9, 2023, we disclosed our "Action to Implement Management that is Conscious of Cost of Capital and Stock Price," which calls for measures that balance sustainable growth and capital policy. We also raised our total return ratio target from 35% to 60%, and hiked our dividend per share for the fiscal year ended March 31, 2024 from ¥90 to ¥160 on a post-share split basis (we ultimately paid an annual dividend of ¥192 due to strong business performance), among other efforts. In this way, we have implemented seven measures with the aim of enhancing our corporate value.

2. Changes in the market environment

In our job, we normally do not develop markets, determine prices, or promote sales. Rather, we mainly handle public works projects through orders placed by clients, such as the Ministry of Land, Infrastructure, Transport and Tourism, NEXCO, and prefectures, through bidding based on certain rules.

Furthermore, around 30 years ago we would receive an annual order volume of 800,000 tons of steel material on a weight basis. In FY2021, when the current Medium-Term Business Plan was formulated, this had decreased to 200,000 tons, and is expected to decrease to as low as 100,000 tons in FY2024. This makes it difficult for us to secure and normalize plant operations through systematic orders, which can lead to peaks and valleys in operations, thus affecting business performance in the short term.

However, over the medium and long term, in addition to large-scale renovation projects by expressway management companies for which the quality and quantity of management resources are required, many highly difficult construction project orders are upcoming, such as large-scale projects on the western extension of the Wangan (Osaka Bay) Route of the Hanshin Expressway involving continuous cable-stayed bridges of a global scale, and large-scale projects such as the cable-stayed bridge of Meishin-Hanshin Wangan Route Access Bridge and the No.2 Kanmon Bridge.

At the same time, we have demonstrated our ability to meet the high barriers to entry when bidding, as the construction experience of the engineers in charge and the construction track record of the company are required. The alliance between MEC, which has earned the high trust of customers for its expertise in railway-related construction, buildings with large interior spaces, and special buildings, and MMB, which specializes in marine steel structures such as immersed tube tunnels, has also proved effective. These are strengths that our competitors do not have, and as such we believe that the business environment will continue to enable the Group to demonstrate its strengths over the medium and long term.

In addition to the synergies from the establishment of MIYAJI ENGINEERING CO., LTD. and the alliance with MM BRIDGE CO., LTD., the Group's safe and secure design and construction capabilities built up over many years have received high praise amid the business environment described above. These synergies have enabled us to overcome the critical stage, establish a sustainable growth trend, and grow to the point where we have been able to revise our capital strategy.

Growth strategy of the MIYAJI ENGINEERING GROUP going forward

I would like to talk about four measures that I think are important for the Group to continue achieving sustainable growth.

1. Increase equity

The first is to ensure an appropriate equity ratio. I believe that increasing equity to prepare for risks is essential for a company to continue operating while fulfilling its social responsibilities. Given the painful experience we endured in the past as a result of drastic contraction of public works spending owing to the nature of our business, the Group considers an equity ratio of around 55% appropriate. Going forward, we intend to maintain this level and implement a well-balanced capital policy. Doing so will increase our resistance to economic uncertainty and support sustainable growth.

2. Initiatives aimed at maintaining an appropriate stock price

The second measure is to take efforts to ensure an appropriate stock price. In order to maintain and improve the level of our stock price, we will also implement a capital policy including shareholder returns. Specifically, we aim to earn the trust of our shareholders and many other stakeholders through a stable dividend policy and acquisition of treasury shares, thereby enhancing our corporate value further.

3. Invest in and return profits to our human resources

The third measure is our people initiatives. As our human resources are the source of the Group's added value, we believe that enhancing investments in and returning profits to our human resources are sensible strategies for the Group's sustainable growth. Specifically, we will enhance training programs, such as degree acquisition to help employees improve their skills and subsidy systems for the professional engineer qualification, create comfortable workplace environments, and promote healthy workplace activities. We are also working to enhance measures to give back to our employees, such as providing living support allowances to help with soaring prices and childcare.

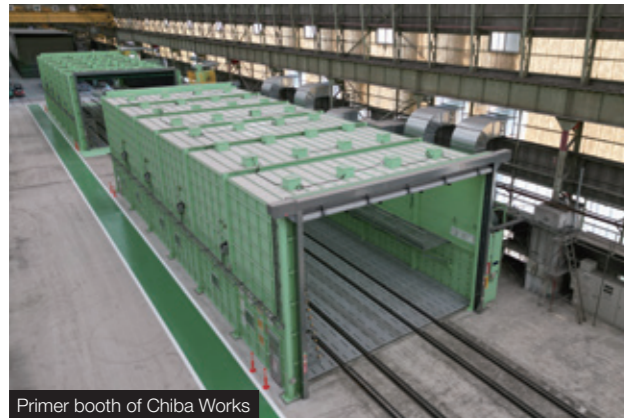
Moreover, the construction industry is facing more difficulties

securing human resources than other industries, and the number of the Japan Bridge Association member companies has shrunk from 76 to 31 today, due to a sharp decline in public works. Against this backdrop, the number of engineers with experience in steel bridge construction has also decreased significantly, making it extremely difficult to hire not only new graduates but also mid-career personnel. In order to overcome this difficult situation, we are implementing various initiatives aimed at securing human resources, such as proactively disseminating information about the attractiveness of the bridge industry as well as the Group's track record and growth potential, cooperating with a number of universities to carry out various initiatives, such as introducing a research grant system as well as a training grant system that does not require repayment. We are also working to create an environment in which it is easy for employees to continue working, such as by introducing systems that allows employees who have to provide nursing care to resign and be rehired at a later date. Through these activities, we will secure exceptional human resources, thereby enhancing the competitiveness of the Company.

4. Investment in growth

The last measure is investment in growth. We plan to implement investments needed for future growth, such as necessary capital investments and M&As that contribute to the expansion of our corporate value. We will focus on technological innovation and new product development to achieve sustainable growth over the medium and long term. Specifically, in addition to developing DX-related technologies aimed at improving operational efficiency, we are making a variety of investments, including proceeding with plans to relocate and expand the Hyogo Equipment Center in anticipation of large-scale projects expected to take place in western Japan, upgrading facilities at the Kurihashi Equipment Center, investing in new painting plant equipment for the Chiba Works overhaul project, and developing new launching equipment necessary for the launching method. We are also making investments to strengthen our safety management systems as part of safe workplace promotion activities at the Chiba Works, such as installing a surveillance camera system that enables constant monitoring of work conditions.





Primer booth of Chiba Works



Blast booth of Chiba Works



Machine maintenance depot of Kurihashi Equipment Center



Tool storage of Kurihashi Equipment Center

Establishment of the Sustainability Promotion Committee

In order to proactively tackle the aforementioned four measures and other important management issues to implement sustainable management, in FY2023 we established the Sustainability Promotion Committee, with Tadashi Uehara, Representative Director of the Group and the President of MIYAJI ENGINEERING CO., LTD., serving as chairperson, and Masahiro Ikeura, Director of the Group and the President of MM BRIDGE CO., LTD., serving as vice chairperson. We gathered young employees from each company who will lead the next generation of management and examined the Group's materialities, KPIs, specific initiatives, and policies, the results of which were deliberated and approved by the Board of Directors.

We have also worked to calculate Scope 3 greenhouse gas (GHG) emissions, which we were able to disclose together with our examination of risks and opportunities related to climate change (details of specific initiatives and other measures taken by the Sustainability Promotion Committee can be found further down in this report).

We have also instructed the next generation of managers to formulate the next Medium-Term Business Plan, which will follow the current Medium-Term Business Plan and begin in FY2027. They have begun work on this front, and are deepening discussions in order to carve out their own future.

Management issues aimed at achieving sustainable growth

Lastly, I would like to talk about the Group's management issues that we have recognized through active IR activities, which are also mentioned as a key initiative in our IR News "Action to Implement Management that is Conscious of Cost of Capital and Stock Price" disclosed last year.

In FY2023, we held a total of 53 SR and IR meetings, where we received various opinions from shareholders and institutional investors. We discussed ways to respond to them and gradually implemented the necessary measures. This includes the publication of the Integrated Report, the start of English information disclosure, and the adoption of an electronic voting system and electronic voting platform. Although we have implemented many measures, we have also become aware of various new management issues. I will explain the details of these issues to you below.

1. Visualization of risks and issues

Until a few years ago, our efforts toward IR activities were lacking, resulting in insufficient information disclosure. One of the issues that shareholders and institutional investors have pointed out is the visualization of business risks and issues. Insufficient disclosure of the risks identified by the Group in its business operations and the approach to tackling these risks causes information asymmetry to arise between the Company and shareholders and institutional investors, resulting in additional risk costs being incurred by the Company and hindering the appropriate valuation of its business. The Board of Directors and the Sustainability Promotion Committee will also actively discuss this issue and strive to make improvements.

2. Reforming officers' remuneration

As the Group only employs a fixed compensation system for officers, shareholders and institutional investors sometimes contact us

regarding the adoption of performance-linked compensation. Now that we have seen a certain level of improvement in corporate value, we plan to examine the state of our officer compensation, such as the potential adoption of performance-linked compensation.

3. Succession planning

- The ability to think about the future -

The issue of succession is touched upon fairly often in many of our IR and SR meetings. Over the years, I have made decisions as the Representative Director of the Company in the rapidly changing environment, such as the conversion of MM BRIDGE CO., LTD. into a Group company, and have led the way to where we are today. For the next generation of managers, we place emphasis on the importance of taking a medium and long term perspective, thinking with astute insight and comprehensive perspective, and incorporating global information. We also instruct them to become leaders who can proactively draw up growth strategies and drive the organization.

We are also expanding these activities into initiatives that include all Group employees, such as assigning mid-career and young employees to the Group Planning and Administration Division, the hub of the Group, for a fixed period of time to provide training.

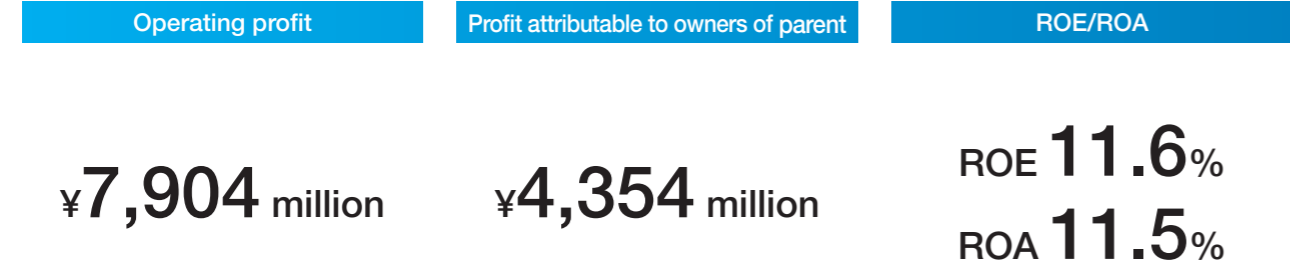
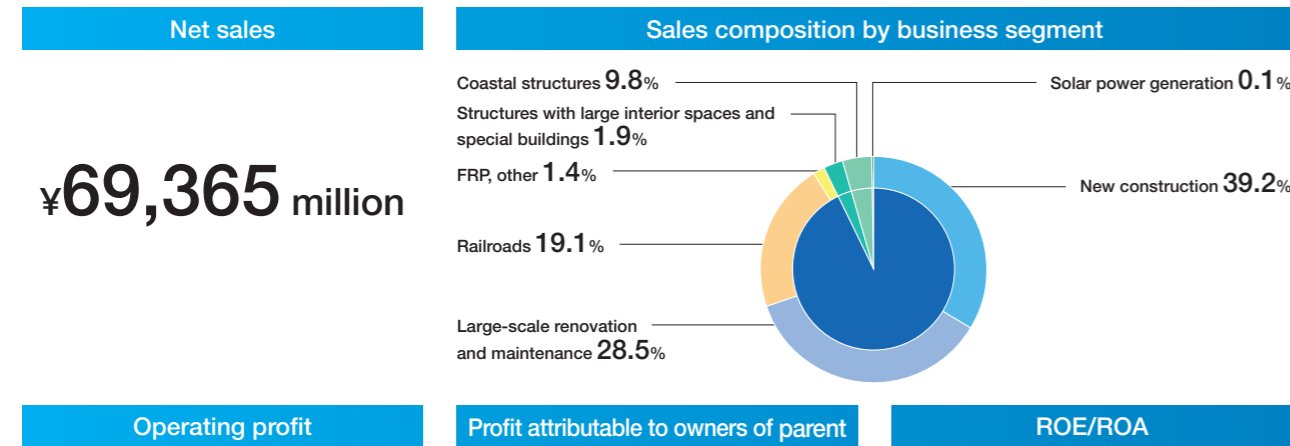
While the business environment changes day by day, MEG will continue to strive for sustainable growth and increased corporate value, and do our utmost by involving every employee in the Group to become a company that proudly blooms in the heart of the construction industry as a company that thrives and grows along with all stakeholders, including shareholders and institutional investors. Upon publication of this Integrated Report 2024, I would like to ask for your continued guidance and support in these endeavors.

At a Glance

MIYAJI ENGINEERING GROUP's Business

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

This section provides an overview of how we have thrived and grown along with our diverse stakeholders.



History since founding

115th anniversary of the founding
20th anniversary of the establishment

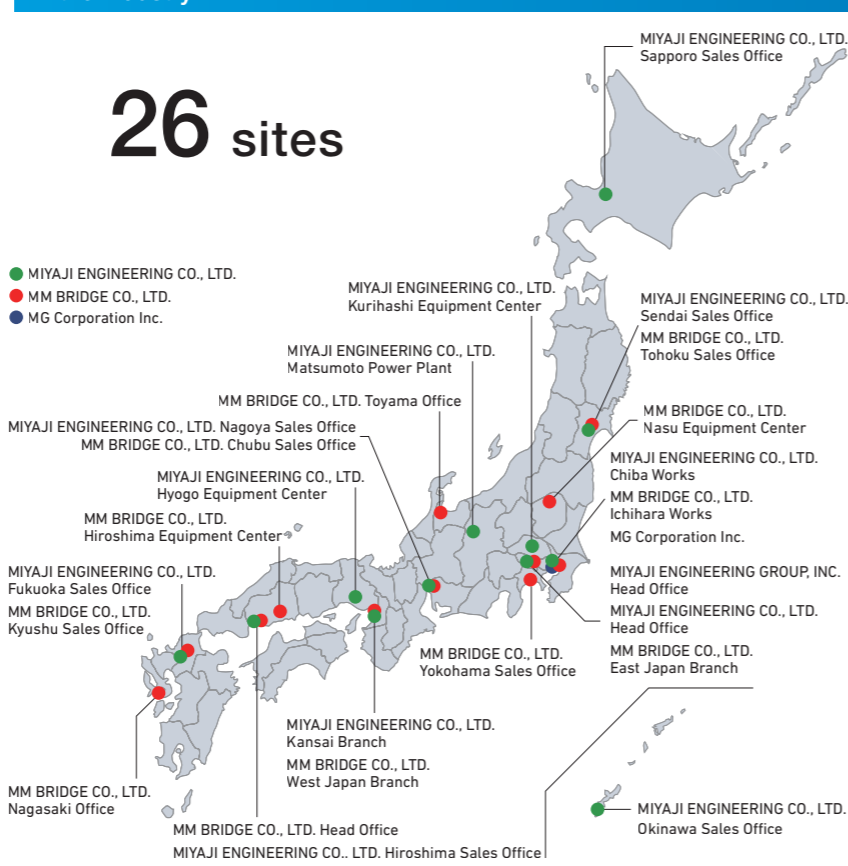
115th anniversary of the founding
20th anniversary of the establishment



Number of employees

799

Design and manufacturing sites with the highest production capacities in the industry



Major Past Projects

“Tanaka Award,” to recognize bridges that have contributed to technological advancement and development in the industry

The Japan Society of Civil Engineers Tanaka Award is an academic society award presented to companies with exceptional results in the field of bridge and steel structure engineering. The late Dr. Yutaka Tanaka, regarded as an authority in bridge and steel structure engineering societies and known as the father of Japan's bridge and steel structure industries, was the first head of the Bridge Division of The Board of Capital Reconstruction / The Bureau of Reconstruction during reconstruction of the capital following the Great Kanto Earthquake. He created many famous bridges that remain familiar to this day, including the Eitaibashi and Kiyosubashi bridges spanning the Sumida River. After Dr. Tanaka's passing, starting with his family, donations began to come in from individuals and groups to help promote the industry, and in 1965, the "Dr. Yutaka Tanaka Commemorative Foundation" made a

donation to the Japan Society of Civil Engineers. In 1966, the Society, as a commemorative project, decided to award an annual prize, "The Japan Society of Civil Engineers Tanaka Award," for excellence in bridge and steel structure engineering. Nearly half a century has passed since then, and the Tanaka Award has established itself as an extremely prestigious award. It has also contributed greatly to the dissemination of bridge engineering technology.

Received awards **60 times**

Awarded project (1) Project Award Minamiaso Railway's First Shirakawa Bridge



The Minamiaso Railway's First Shirakawa Bridge was a single-track railway bridge spanning the Shirakawa Gorge. It was completed in 1927 as an arch bridge known as a two-hinged spandrel-braced balanced arch, which is rare even in Japan. In 2015, the bridge was selected as a civil engineering heritage site for its precious craftsmanship of predecessors and scenic beauty. However, due to extensive damage sustained in the Kumamoto Earthquake that occurred in the following year, it was decided that the bridge would be replaced with a new bridge, and MM BRIDGE CO., LTD. was contracted to remove the old bridge and design, manufacture, and erect the new bridge.

This was a highly dangerous and unprecedented project, even in Japan, as it involved removing a balanced arch that was in an unknown stress state due to damage caused by the earthquake. However, a cable erection method with vertical suspension cable was proposed, and by conducting advance analysis and constant monitoring of behavior, we were able to ensure safe dismantling and removal.

The new bridge not only restores the scenic beauty of the old bridge, but also improves earthquake resistance, which is a top priority, and takes into consideration post-earthquake restoration. This bridge, which was restored under harsh conditions, has been recognized as a bridge that should be passed down to future generations as a symbol of reconstruction from the Kumamoto Earthquake, and was awarded the Japan Society of Civil Engineers Tanaka Award in 2022.

Awarded project (2) Project Award Kesenuma Bay Crossing Bridge (also known as "Kanae Ohashi")

The Kesenuma Bay Crossing Bridge is a three-span continuous steel cable-stayed bridge with a maximum span length of 360 m, the largest long-span bridge in the Tohoku region. The eastern half of the bridge, including the combined girders, was constructed through a joint venture (JV)* by MM BRIDGE CO., LTD., MIYAJI ENGINEERING CO., LTD., and KAWADA INDUSTRIES, INC. A special construction method that requires advanced technical skills and experience was used to construct the bridge. A 3,000-ton floating crane was used to erect the large blocks of the main tower, and a 600-ton floating crane was used to erect large blocks near the main tower, and then a direct lifting equipment was used to balance and erect the main girders.





As the Ministry of Land, Infrastructure, Transport and Tourism took the lead in developing reconstruction roads and reconstruction support roads as a leading project for the recovery of areas affected by the Great East Japan Earthquake, this bridge was designed and constructed with the concept of being "a beautiful bridge that will become a symbol of Kesenuma Bay and support the development and recovery of the region in harmony with the landscape rich in nature." The project was highly praised for being completed without any accidents or disasters in just six years and seven months, from the start of substructure work (by another company's JV) in June 2014 to the opening of the bridge in March 2021. The bridge was awarded the Japan Society of Civil Engineers Tanaka Award in 2022. At the opening ceremony, the bridge was given the nickname "Kanae Ohashi" in response to a call for proposals from local residents, and it has become a symbol of Kesenuma City, which continues to strive for recovery from the earthquake.

*Joint venture (JV): A joint venture in the construction industry

MIYAJI ENGINEERING GROUP'S HISTORY

MIYAJI ENGINEERING GROUP was founded in 1908. Since then, we have been leveraging state-of-the-art technologies and equipment to take on the challenges of difficult construction projects, primarily in the steel bridge construction sector. We have created countless elements of social infrastructure that support people's lives. We have faced many major crises such as the oil shock, a dramatic change in the order receiving environment due to reduced public works spending, and natural disasters such as major earthquakes. However, over our 115-year history, we have worked together with partner companies to achieve major growth. We will continue to provide the Japanese people with safety and security, making their lives richer and more convenient, by creating social capital.

	1900s to 1920s	1930s to 1950s	1960s	1970s			
Business environment	<ul style="list-style-type: none"> Great Kanto Earthquake 	<ul style="list-style-type: none"> Tokyo Air Raid Atomic bombing of Hiroshima and Nagasaki End of the Pacific War 	<ul style="list-style-type: none"> Tokyo Olympic Games held Tokaido Shinkansen Opening of Tokyo to Shin-Osaka route 	<ul style="list-style-type: none"> The first oil shock 			
	<p>Founder Eijiro Miyaji began operation of MIYAJI IRON WORKS in Minami-Futaba-cho, Honjo-ku, Tokyo</p> <p>MIYAJI IRON WORKS was founded in September 1908 by Eijiro Miyaji, at the age of 22. It was a privately-operated business office located in Honjo-ku, Tokyo (currently Sumida-ku, Tokyo). Eijiro succeeded the Yabe Iron Works operated by his father-in-law. He started out as a small local factory with four to five craftsmen manufacturing bolts, steel doors, steel fences, and other items using hand-operated bellows. Shortly after the Company was founded, it expanded into bridge erection work, and combined with the economic boom caused by World War I, the small factory in Minami-Futaba-cho became extremely busy. Therefore, in 1919, Ojima Works was newly opened in Ojima-machi, Minami-Katsushika-gun, Tokyo (currently Ojima, Koto-ku, Tokyo). The Ojima Works was later destroyed by a fire in the Great Kanto Earthquake, but thanks to the tireless reconstruction work of all employees, the building was restored and went on to greatly contribute to the reconstruction of the imperial capital. The Ojima Works quickly exceeded its operating limits in the late 1920s, so at the end of 1930, the Company opened Suna-machi Works in Koto-ku, Tokyo, and relocated there.</p>	<p>Spinning off of MIYAJI CONSTRUCTION & ENGINEERING CO., LTD. as independent company and construction of Tokyo Tower as an iconic symbol of post-war recovery</p> <p>In order to enhance its capital and organizational structure under the wartime regime, the Company was reorganized in 1938 to form MIYAJI IRON WORKS CO., LTD. Later, the Suna-machi Works lost most of its critical equipment in the Tokyo Air Raid, and a month after the war ended, on September 15, 1945, it was decided at an emergency board meeting to suspend operations and close the plant. From around 1946, the Company began manufacturing bridge handrails, farming tools, and other items, and then began full-scale operations in the following year. Nevertheless, business remained difficult. In order to streamline management, reduce expenses, and improve productivity, plant production and on-site engineering were separated and MIYAJI CONSTRUCTION & ENGINEERING CO., LTD. was established in 1949. Subsequently, MIYAJI CONSTRUCTION & ENGINEERING CO., LTD., which had an extensive track record of constructing steel towers throughout Japan, was selected as the contractor to construct the steel frame of Tokyo Tower. Without the convenient equipment and tools of today, erecting the steel frame of a super-tall tower was extremely difficult, but by applying accumulated experience and advanced craftsmanship, the job was completed in just a year and a half.</p>	<p>Edobashi Junction, the construction project that established the foundation of bridge technology that is still used today</p> <p>In preparation for the 1964 Tokyo Olympic Games, the Edobashi Junction, the most difficult section of the Metropolitan Expressway construction project, was undertaken in order to alleviate chronic traffic jams caused by rapid increases in traffic volume and delayed road development. The construction conditions were unprecedentedly harsh, with many curves, narrow sections, and complex shapes above the Nihonbashi River, and extreme constraints applied to both the horizontal and vertical sections. Without the wide variety of construction materials, technologies, and computers that are now commonplace, engineers had to research past records and documents from both Japan and overseas, devote themselves in the creation of new techniques and construction methods based on their own experience, and made every effort to ensure their creations had theoretical backing. By fusing the latest technologies of the time with the expertise of craftsmen, the technology and techniques that would lead to the completion of the national project of the century were created, and Edobashi Junction was completed by the target completion date. The erection methods used in this project, including the use of unique erection equipment developed in-house, contributed to the development of current erection technologies.</p>	<p>History of hardships, including the first oil shock, and decisions</p> <p>The Company, which stood at the forefront of long-span bridge technologies with the Kanmon Bridge, was planning to build a new plant in Fukuyama City, Hiroshima, in preparation for the construction of the Honshu-Shikoku Bridge. But then, due to the effects of the first oil shock, it was decided that the construction of the Honshu-Shikoku Bridge would be delayed indefinitely. With no prospect of recovering the huge investment, the entire amount became bad debt. Although all employees worked together to implement cost-cutting measures, we were unable to make up for the losses, and in 1975 the Company laid off 500 employees, or one-third of its workforce. We had no choice but to choose a path of reconstruction through rationalization. In 1979, stock prices, which had been in the ¥200 range, skyrocketed due to battles between speculators and reached a peak of ¥2,950. Although the speculators demanded major changes to the Company's executive board, they were unable to replace our management, which requires people with advanced technical and sales capabilities, and we were able to maintain our management autonomy.</p>			
1908	 <p>Founder Eijiro Miyaji</p>	1958	 <p>Tokyo Tower under construction</p>	1963	 <p>Edobashi Junction under erection work</p>	1973	 <p>Kanmon Bridge under erection work</p>
1949	 <p>MIYAJI CONSTRUCTION & ENGINEERING at the time of establishment</p>	1961	 <p>Suna-machi No. 1 and No. 2 Works</p>	1967	 <p>Hakogase Bridge</p>		 <p>Kanmon Bridge</p>

MIYAJI ENGINEERING GROUP'S HISTORY

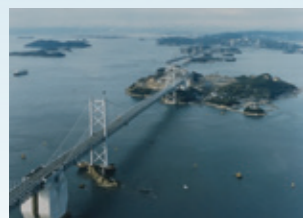
1980s to 1990s

- Collapse of the economic bubble
- Great Hanshin-Awaji Earthquake

Contributing to the completion of Japan's longest strait crossing suspension bridge and long-span marine bridges by leveraging our many years of experience and expert technologies

The Group has been involved in the construction of many of Japan's leading bridges. In 1988, the Seto-Ohashi Bridges, the world's longest road-rail bridge, which is now recognized by the Guinness World Records and has been selected as one of the 20 symbols of Japan's 20th century heritage by the International Council on Monuments and Sites (ICOMOS), began operation. The Group was involved in the construction of six bridges, and for five of those served as the joint venture's representative member for construction, playing a central role from detailed design to on-site construction. In the 1990s, the Group was heavily involved in the construction of two of Japan's most iconic long-span marine bridges: Kansai International Airport Access Bridge (Sky Gate Bridge R) and Trans-Tokyo Bay Expressway Bridge (Tokyo Bay Aqua-Line Bridge). The Group also played a central role in the construction of the Akashi-Kaikyo Bridge, one of the world's largest suspension bridges (the largest in the world at the time), and the Tataro Bridge, the longest cable-stayed bridge in Japan (the longest in the world at the time). To accommodate the creation of these bridges, we opened the Chiba Works (Ichihara City, Chiba) in 1982 with a 165 m long dedicated pier and a site area of 176,722 m².

1988



Seto-Ohashi Bridges

1994



Kansai International Airport Access Bridge (Sky Gate Bridge R)

1998



Tataro Bridge

2000s

- Niigata Chuetsu Earthquake
- Global financial crisis
- The First Koizumi Cabinet, public project budget reduced

Decreases in orders due to drastic reductions in public works spending due to the government's policies at the time and the end of collusion

In the 2000s, the government at the time suddenly changed its policy on public works, and the budget was significantly reduced from ¥10 trillion to less than ¥5 trillion. This trend was promoted by subsequent administrations under the slogan, "People, not concrete." As a result, the number of member companies of the Japan Bridge Association dropped dramatically from 76 to 31, creating a very difficult situation. Moreover, in 2004, the Japan Fair Trade Commission conducted on-site inspections of the steel bridge industry, and in the following year, criminal charges were issued against us by the Public Prosecutors Office for suspected violations of the Antimonopoly Act. The Group was also pushed into a difficult situation, and in 2007 we were forced to sell our head office building. In order to survive in such a harsh environment, MIYAJI IRON WORKS CO., LTD. and MIYAJI CONSTRUCTION & ENGINEERING CO., LTD. concluded a memorandum regarding the business integration in 2002, based on their equal spirit and mutual trust. A Business Integration Preparation Committee was established to create a joint holding company through the share transfer. After much discussion, the holding company, MIYAJI ENGINEERING GROUP, INC. (MEG), was established on September 29, 2003.

2003



MIYAJI ENGINEERING GROUP, INC. established

2010s

- Great East Japan Earthquake
- Kumamoto Earthquake

Opening of the Tokyo Gate Bridge, a highly difficult construction project, and the birth of MEC and MMB

The construction of the Tokyo Gate Bridge in 2012 was a project that once again demonstrated the advanced technical capabilities that we have cultivated over the years. The Tokyo Gate Bridge is a long bridge with a length of 2,618 m, a main span of 440 m, and a steel weight of 36,000 tons. Since the main bridge section is next to the Haneda Airport, there are height restrictions, and because the bridge passes over an international shipping route, there are also bridge clearance restrictions. The Company was responsible for the manufacture and on-site construction of the central span, which passes over the international shipping route and was the section for which construction presented the biggest challenge, and of the side span section. All this on-site construction work was carried out using highly difficult erection methods, with the central span of the main bridge being constructed using a method that had never been used before in Japan. Moreover, from the 2010s onward, demand for new steel bridges shrunk from a peak of 800,000 tons per year to 300,000 tons per year, making the business environment surrounding the Group even more severe and forcing us to implement further strategies in order to survive. As a management decision to be able to adapt flexibly even in times such as this, we merged MIYAJI IRON WORKS CO., LTD. and MIYAJI CONSTRUCTION & ENGINEERING CO., LTD. in 2011, changed the company name to MIYAJI ENGINEERING CO., LTD. (MEC), and took a new step forward. Furthermore, in 2015, we acquired 51% of the shares of Mitsubishi Heavy Industries Bridge & Steel Structures Engineering Co., Ltd., which was a wholly owned subsidiary of Mitsubishi Heavy Industries, Ltd. at the time, and brought the company into the group under the new name MM BRIDGE CO., LTD. (MMB).

2012



Tokyo Gate Bridge

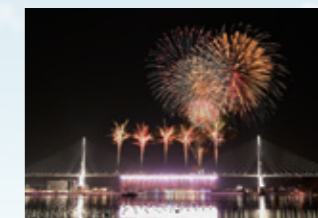
2020s

- COVID-19 pandemic
- Russian invasion of Ukraine

Celebrating the 115th anniversary of the MEG's founding and the 20th anniversary of its establishment, and to become a company that thrives and grows along with its stakeholders through our pioneering efforts

In 2023, the Group celebrated the 115th anniversary since its founding and the 20th anniversary since its establishment. When MIYAJI IRON WORKS CO., LTD. and MIYAJI CONSTRUCTION & ENGINEERING CO., LTD. merged in 2011, their condition was critical with net sales of ¥17.9 billion, operating profit of ¥0.4 billion, and an order backlog of ¥23.1 billion. However, the Company achieved startling growth, reaching ¥69.3 billion in net sales and ¥7.9 billion in operating profit in FY2023, and the order backlog reached a record high of ¥115.7 billion. In order to continue to achieve sustainable growth over the long term, the entire company will work together to strengthen collaboration within the Group, improve both the quality and quantity of management resources, and work towards achieving the Medium-Term Business Plan (FY2022 to FY2026) formulated in FY2021. As a company that thrives and grows along with its stakeholders, we will keep on contributing to society through our pioneering efforts, driven by our pride and passion for our work.

2021



Completed construction of Kesennuma Bay Crossing Bridge (Kanae Ohashi)

2023



Held a commemorative ceremony to celebrate the anniversary

VALUE CREATION PROCESS

MIYAJI ENGINEERING GROUP is a comprehensive engineering company, seamlessly combining advanced technical capabilities that have been passed on through the years, highly experienced personnel, and partners with exceptional technical strengths.
We will strengthen management leveraging these comprehensive strengths to implement sustainable management processes, thereby increasing our corporate value.

Input

Human capital

Employees with extensive experience in construction

• Employees	799
• The First-Class Civil Engineering Works Execution Managing Engineers	380
• Professional engineers	68
• Percentage of engineers	53.1%

Intellectual capital

Expertise to manage highly difficult projects

• Valid patents	144
• R&D expenses	¥246 million
• Order backlog (As of the end of March 2024)	¥115.78 billion

Social and related capital

Relationships of trust established with governments and major general contractors through the years

Brand power in bridges cultivated over many years

• Business partners	Approx. 1,000
• Japan Society of Civil Engineers "Tanaka Award"	60 times
• Years since the founding	115 years

Manufacturing capital

Systems capable of nationwide delivery

• Chiba Works maximum production capacity	30,000 tons/year
• Locations of activities in Japan	26 sites
• Total weight of owned erection equipment	29,500 tons

Financial capital

Stable financial foundation capable of developing infrastructure

• Total assets	¥74,146 million
• Equity	¥39,695 million
• Equity ratio	53.5%

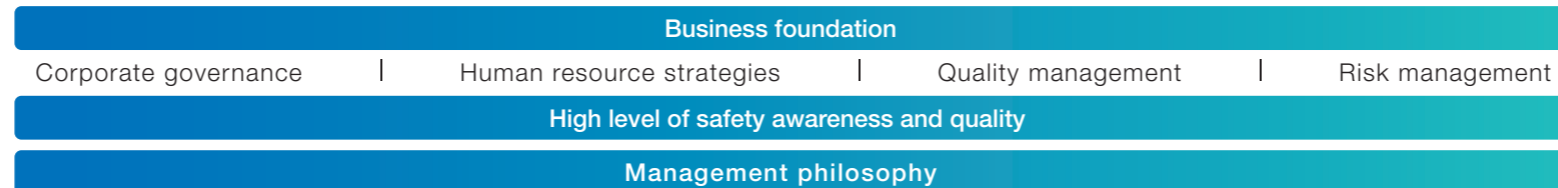
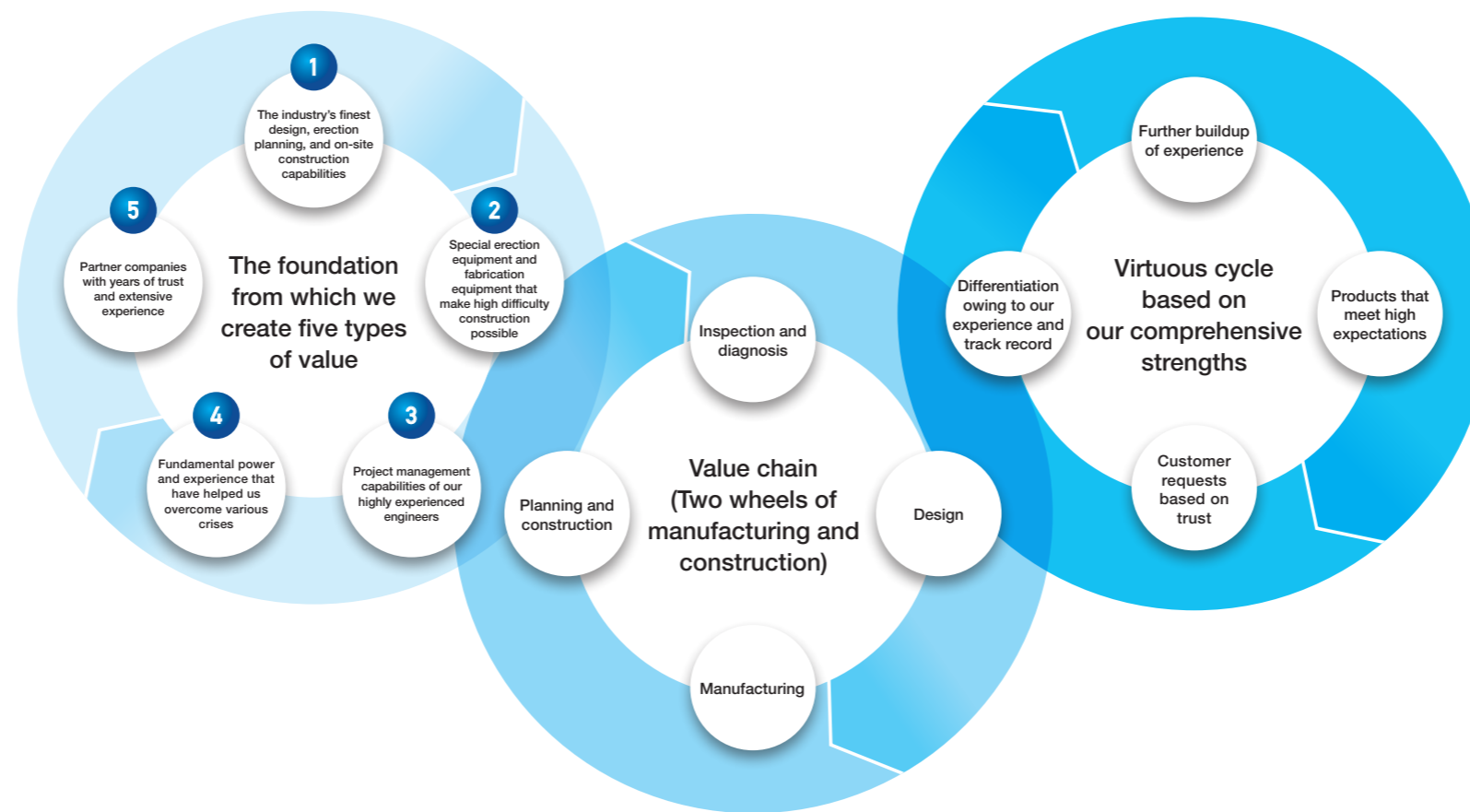
Natural capital

• Weight of steel material used (thick plate rolls)	27,011 tons
• Electrical power consumed	5,181,281 kWh
• Water usage (plants, equipment centers)	21,732 m ³
• Solar power generation (Matsumoto Power Plant)	2,231,810 kWh

Business model

The comprehensive strengths of MIYAJI ENGINEERING GROUP, based on the track record and technical capabilities it has built over the years

A circulation model that creates value realized by the comprehensive strengths of the MIYAJI ENGINEERING GROUP



Output

- Bridges**
- Buildings with large interior spaces and special buildings**
- Coastal structures**
- Solar power generation**

Outcomes

"Contribute to the enrichment of our nation and the creation of a brighter society" and "Provide safe and secure infrastructure"

• Sales by product

• New construction-related projects	¥27.19 billion
• Large-scale renovation and maintenance-related projects	¥19.74 billion
• Railroad-related projects	¥13.24 billion
• FRP and other-related projects	¥0.96 billion
• Buildings with large interior spaces and special buildings	¥1.34 billion
• Coastal structures	¥6.81 billion

Achieve sustainable growth of human capital

- Promote work-life balance through work style reforms
- Expand measures to give back to employees

Thrive and grow along with stakeholders

- Strengthen cooperation with partner companies through the establishment of Kyueikai
- Strengthen safety and security initiatives with partner companies

Provide returns to shareholders and invest in growth

- Raise the dividend payout ratio from the amount equivalent to 35% to the amount equivalent to 60%
- Promote investments of ¥18.0 to ¥20.0 billion during the current Medium-Term Management Plan

Business results for FY2023

Net sales	¥69,365 million
Operating profit	¥7,904 million
Ordinary profit	¥7,908 million
Profit attributable to owners of parent	¥4,354 million
Annual dividend per share	¥192*
Equity ratio	53.5%
Return on equity (ROE)	11.6%
Return on assets (ROA)	11.5%

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

FOUNDATION FOR VALUE CREATION

The comprehensive strengths MIYAJI ENGINEERING GROUP has developed and maintained through the years

1

The industry's finest design, erection planning, and on-site construction capabilities

2

Special erection equipment and fabrication equipment that make high difficulty construction possible

4

Fundamental power and experience that have helped us overcome various crises

3

Project management capabilities of our highly experienced engineers

5

Partner companies with years of trust and extensive experience

The foundation from which we create five types of value

1

The industry's finest design, erection planning, and on-site construction capabilities

Our Group has some of the industry's top design, erection planning, and on-site construction capabilities.

We have surmounted various difficulties, taking on the challenges and successfully completed the most difficult construction projects, such as the Edobashi Junction, said to be the most difficult part of the Metropolitan Expressway construction project; the Kanmon Bridge and Ohnaruto Bridge, Japan's first strait crossing bridges; the Akashi-Kaikyo Bridge; numerous Honshu-Shikoku Bridges; the Yokohama Bay Bridge; and the Rainbow Bridge. We owe these accomplishments to the unwavering technical capabilities we have developed through the years. Only a few top companies account for over 70% of orders for large-scale and high-difficulty construction projects. Our Group companies, MIYAJI ENGINEERING CO., LTD. and MM BRIDGE CO., LTD. are among them. We believe that our unwavering, advanced design engineering strengths, our erection planning capabilities, and our on-site construction capabilities, which allow us to make our projects into successes, are what enable us to exert leadership as a representative member in a joint venture*1.

*1 Joint venture (JV): A joint venture in the construction industry



Tokyo Gate Bridge



Kurushima-Kaikyo Bridge

Japan Society of Civil Engineers Tanaka Award*2

Received awards **60 times**

*2 The Japan Society of Civil Engineers Tanaka Award is an academic society award presented to companies with exceptional results in the field of bridge and structural engineering.

2

Special erection equipment and fabrication equipment that make high difficulty construction possible

Our Group has the special erection equipment and fabrication equipment it needs to successfully complete large-scale and high difficulty projects.

When long-term traffic closure is not feasible, such as when erecting bridges over roads or railroads, special erection methods must be used. This makes it vital to have not only advanced erection planning capabilities, but also a great deal of special erection equipment. In its many difficult special erection construction projects, we have developed and used many special equipment such as high speed launching equipment for rapidly erecting bridges over railroads and large unit jacks for erecting multiple large blocks at once. This provides us with exceptional technical capabilities.

The Chiba Works of MIYAJI ENGINEERING CO., LTD. is a bridge manufacturing works that is roughly four times the size of the Tokyo Dome. It has large block processing equipment and quay for shipping for working on long-span bridges. This works boasts one of the highest production capacities in the industry.



Yodogawa Higashi Viaduct on the Keihan Electric Railway



Chiba Works of MIYAJI ENGINEERING CO., LTD.

3

Project management capabilities of our highly experienced engineers

Our Group has the highly talented experts in various fields it needs in order to perform large-scale projects on time.

Carrying out large-scale projects requires experts who can exercise their abilities in major fields, such as design, fabrication, erection planning, and on-site construction. Furthermore, JV representative members such as our Group require project managers who can listen to technical experts' opinions and coordinate projects. Through our extensive large-scale project management experience, we have nurtured numerous experts and project managers. One of our greatest strengths is the large number of highly skilled and diverse personnel that work for us. We will continue to expand and enrich our human capital to ensure that projects progress smoothly and carry out high quality construction work.



4

Fundamental power and experience that have helped us overcome various crises

Our Group has the fundamental power and experience to overcome even the largest of crises.

Risks sometimes manifest themselves during the course of large-scale construction projects. During the history of over 115 years since our founding, we have dealt with several crises which posed a serious threat to our business, such as the indefinite postponement of a bridge construction project that aimed to connect the islands of Honshu and Shikoku as a result of the first oil shock in the 1970s. Accidents can also befall projects with a high level of technical difficulty. We have been able to surmount these crises thanks to the support of our partner companies and many other stakeholders, along with our solid financial structure. Through these experiences, we have striven to further deepen our relationships of trust with our stakeholders and to reinforce our management foundation.



Edobashi Junction

5

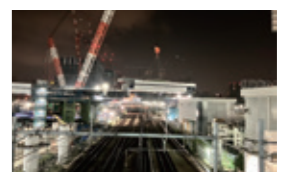
Partner companies with years of trust and extensive experience

The relationships of trust we have established with our partner companies is one of our precious assets.

For high difficulty bridge erection projects, not only do we have special erection equipment and erection planning capabilities, but also enjoy the support of our partner companies, who have extensive experience and advanced technical capabilities. We have carried out many difficult construction projects, beginning with Tokyo Tower and the Edobashi Junction and proceeding to Honshu-Shikoku Bridge, such as the Akashi-Kaikyo Bridge, and the Kesenuma Bay Crossing Bridge (Kanae Ohashi). We owe our success in these projects to the existence of our excellent and dependable partner companies, who have supported us in various areas through the years. We will continue to forge deeper relationships of trust with these partner companies, thriving and growing together.



Tate Viaduct



New construction of crossing section of Kanryo 4 Expressway within Shinagawa Station building



Value Creation by Business Segment

MIYAJI ENGINEERING GROUP's goal is to be a comprehensive engineering group with advanced technical capabilities in every aspect of design, manufacturing, and on-site construction of bridges and other steel structures.

We will deepen the strengths we have built up in each value chain and strive to create a rich society and communities.

	Overview/Representative structures	Order form		Order size	Construction period	Scope of the value chain we provide				Value we provide/Accumulated strengths	Opportunities	Risks
		Prime contractor	Subcontractor			Inspection and diagnosis	Detailed design	Manufacturing	Planning and construction			
Bridges	New construction Akashi-Kaikyo Bridge Tatara Bridge Tokyo Gate Bridge Yokohama Bay Bridge Kesennuma Bay Crossing Bridge (Kanae Ohashi) Ariake Chikugo River Bridge Kanmon Bridge	◎	—	¥0.5 to 10.0 billion	2 to 5 years	●	●	●	●	Backed by our numerous track record in long-span bridge construction, we possess human resources (including partner companies) and expertise that enable the detailed design, manufacturing, construction planning, and on-site construction of all types of bridges, ranging from general bridges to bridges that are difficult to construct, and equipment that enables us to carry out various special erection methods.	There are plans for construction projects that require advanced technical capabilities and construction capabilities, including big projects such as the cable-stayed bridge in the western extension of the Wangan (Osaka Bay) Route of the Hanshin Expressway, and new construction projects aimed at eliminating missing links between expressway network. In light of this, we expect the environment in which the Group can thrive to continue over the medium term.	As past history has shown, and as characteristics of public works, processes such as securing budget and planning projects are carried out by our clients, such as the central government, local governments, expressway companies, and other relevant parties. Accordingly, there is a risk of the order plan itself suddenly being canceled or postponed due to changes in government policy and other factors.
	Large-scale renovation and maintenance Suita Junction—Chugoku Expressway Ikeda Interchange Bridge renovation project Higashi Shinagawa/Samezu reclaimed land area renovation project Sasebo Viaduct widening construction project	◎	—	¥5.0 to 20.0 billion	4 to 10 years	●	●	●	●	In addition to having advanced technical capabilities backed by our abundant experience in inspection & diagnosis and maintenance & repair design work for existing bridges, we possess the ability to formulate plans for extremely difficult construction that minimize the impact on existing traffic, as well as the highly skilled personnel (including partner companies), expertise, and equipment that enable us to reliably carry out such projects.	We expect a certain amount of large-scale expressway renovation projects to be ordered every year, using funds secured from tolls set to remain in place until 2115 under the revised Act on Special Measures concerning Road Construction and Improvement. Furthermore, as the number of bridges more than 50 years old will continue to increase, we anticipate a rise in the number of bridges that will become subject to large-scale renovation.	Not only is large-scale renovation project more technically difficult than regular new construction work, it also requires massive construction capabilities due to the need to handle intensive construction work at night or in a short period of time. In addition, as advanced management skills and technical capabilities are needed to increase sales from such projects, the expansion of human capital is essential.
	Railroads Construction of the Yodogawa Higashi Viaduct on the Keihan Electric Railway New construction of crossing section of Kanryo 4 Expressway within Shinagawa Station building Tadami Line disaster restoration and other work (Tadamigawa Bridge No.6)	○	◎	¥0.1 to 2.0 billion	1 to 3 years	●	●	●	●	In railway-related construction projects, which require extremely high levels of safety due to their large social impact, the abundant track record we have built up over the years and our safe and secure design and construction capabilities (including those of experienced partner companies) have earned us the trust and recognition of various stakeholders.	Because the trust our customers have in us for safe and secure construction work, which we have built up over a long period of time, is something that cannot be easily imitated, the entry barrier for new companies is high. Large-scale elevation work and terminal station development projects are also planned for the Tokyo metropolitan and other areas. As such, we expect to continue receiving a certain volume of orders.	While we anticipate order volumes to remain stable, the railway network has a limited coverage area compared to the road network that covers the entire country, making it difficult to expect a significant increase in order volume. Additionally, it is difficult to predict the workload over the medium to long term, as plans are often revised depending on the financial performance of the railway company involved.
	FRP, other FRP floor slabs for highway bridges FRP floor slabs for pedestrian crossing bridges FRP protective plate, FRP wall balustrades FRP inspection access ways *FRP stands for "fiber reinforced plastics," a reinforced plastic made by combining resin with glass fiber and carbon fiber to improve its strength.	—	◎ (Sales)	Less than ¥0.3 billion	1 to 3 years	—	●	●	—	With the aim of diversifying our business, we are focusing on FRP, which is lightweight and does not corrode (a weakness of steel), and developing and expanding sales of bridge-related products such as composite slabs and inspection access ways. We are able to plan new applications and make technical proposals through sales activities to customers.	We expect these products to meet a variety of societal needs. For example, they can be used for FRP inspection access ways in areas with severe salt damage by utilizing its excellent corrosion resistance and light weight. FRP protective plates with excellent insulation properties can be used for inspection, maintenance and repair work on bridges over railways, and FRP floor slabs can be used for pedestrian crossing bridges that road administrators are struggling to repair due to aging.	Because material costs are higher for FRP than they are for steel, when considering introduction, the initial cost will make it appear less economical unless comparing the life cycle costs of the two. It is therefore necessary for customers to understand the merits by making a comprehensive comparison that takes into account maintenance, management, and construction, such as reduced maintenance and management processes, ease of construction utilizing its light weight, and shortened construction processes.
Buildings with large interior spaces and special buildings Tokyo Tower (steel frame construction) Tokyo Skytree (steel frame construction and gain tower installation) Nagoya Dome, Fukuoka Dome, Saitama Super Arena, and Es Con Field Hokkaido (large roof construction) Kumamoto Castle Iidamaru-Gokai-Yagura Turret emergency collapse prevention measures	—	◎	¥0.3 to 2.0 billion	1 to 3 years	—	—	—	●	We possess construction planning capabilities backed by an abundant construction track record that enables us to construct buildings with large interior spaces such as domes and special buildings such as Tokyo Tower, as well as construction capabilities, including the special equipment and experienced partner companies required to realize these plans.	In large-scale redevelopment projects in the Tokyo metropolitan area, there are many plans for buildings with large interior spaces and special buildings that are extremely difficult to construct and require the construction expertise and special equipment that the Group possesses. As such, we expect to continue receiving a certain volume of orders.	The volume of orders for buildings with large interior spaces and special buildings that are difficult to construct is smaller than those for regular buildings, making it difficult to predict the workload over the medium to long term.	
Coastal structures Main body work for bank protection (breakwater) for the Shin-Honmoku area of the Port of Yokohama BOAT RACE EDOGAWA floating breakwater manufacturing and installation work Immersed tube tunnels, hybrid caissons, floating breakwater	○	◎	¥0.5 to 10.0 billion	1 to 3 years	●	●	●	—	We have demonstrated our presence based on robust technologies that other companies cannot easily imitate, such as detailed design and manufacturing technologies for steel and concrete building compounds based on bridge technology, and motion analysis technology for floating structures based on shipbuilding technology.	In the design and manufacture of large-scale steel structures (including steel and concrete building compounds) for large-scale projects, we expect to demonstrate a strong competitive edge by utilizing the facilities and sites of affiliated companies.	Orders for large-scale projects and large-scale steel structures are not placed regularly and the number of projects is limited, making it difficult to ensure a stable source of income.	

Materiality and KPIs

In FY2022, MIYAJI ENGINEERING GROUP identified its materialities, the issues it addresses in its business activities for achieving sustainable growth. In addition, the Sustainability Promotion Committee has taken the lead in setting targets and KPIs in FY2023, and has been addressing our various initiatives.

MIYAJI ENGINEERING's MATERIALITY

ESG	Item	Measures	Specific content	Overview of KPIs	FY2023 results
E Environment	1 Responding to climate change risks and natural disaster risks	Promoting the disclosure of climate-related financial information	We promote the disclosure of climate-related financial information in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).	<ul style="list-style-type: none"> Start the disclosure of climate-related financial information from FY2024. Disclose the climate-related financial information in the Securities Report and the Integrated Report, as well as at the Financial Results Briefings appropriately. 	We started the disclosure in the Securities Report for FY2023 results.
		Promoting initiatives for achieving carbon neutrality by 2050	Based on calculation and analysis of Scope 1, 2, and 3, we formulate and promote specific measures for using renewable energy, etc., for achieving carbon neutrality by 2050.	<ul style="list-style-type: none"> Start the specific studies for achieving carbon neutrality by 2050. Disclose the specific activities in the Securities Report and the Integrated Report, as well as at the Financial Results Briefings appropriately. 	We disclosed the calculation of Scope 1, 2 and 3 for FY2022 results.
		Promoting resource and energy conservation	We promote resource and energy conservation in our offices, plants, equipment centers, and worksites with the aim of reducing the environmental impact of all processes involved in our business environment.	<ul style="list-style-type: none"> Continuously promote resource and energy conservation. Disclose the specific activities in the Securities Report and the Integrated Report, as well as at the Financial Results Briefings appropriately. 	We are continuing the resource and energy conservation activities.
		Environmental conservation	We install solar power generation equipment to reduce our environmental impact, engage in coral protection activities using corrosion prevention technologies employed by our coastal structures, and engage in other efforts to protect the environment using our Group's equipment and technologies.	<ul style="list-style-type: none"> Continuously conduct initiatives such as installing solar power generation equipment and electric forklifts to reduce our environmental impact and engaging in coral protection activities. Disclose the specific initiatives and activities in the Securities Report and the Integrated Report, as well as at the Financial Results Briefings appropriately. 	We are continuing the solar power generation business. We are continuing to promote various activities to reduce our environmental impact.
		Business continuity plan (BCP) creation	As a company involved in the restoration of social infrastructure, we formulate and prepare concrete plans for maintaining our functions as a company in the event of a large-scale disaster.	<ul style="list-style-type: none"> For major offices of our business companies, MIYAJI ENGINEERING CO., LTD. and MM BRIDGE CO., LTD., acquire certificate based on the BCP from Ministry of Land, Infrastructure, Transport and Tourism and maintain the system. 	We are continuing the initiative.
S Social	2 Contribute to society by supplying safe and secure infrastructure	Support for the rapid restoration of social infrastructure damaged by natural disasters or accidents	We contribute to society by assisting with the rapid restoration of social infrastructure such as bridges damaged by natural disasters or accidents.	<ul style="list-style-type: none"> Conclude disaster agreements with Ministry of Land, Infrastructure, Transport and Tourism, local governments, expressway management companies and railway companies, and quickly respond to requests in the event of a disaster. In the event of a disaster, actively respond to request from road administrators via the Japan Bridge Association. In the event of a major disaster, consider dispatching a survey team even before receiving a request. 	We are continuing these activities.
		Thorough construction safety	The Group's business involves the handling of large, heavy objects, both in our plants and at worksites. Completely eliminating accidents is not possible. We therefore place safety and the protection of human life first, prioritizing safety above all. Based on this philosophy, we set target management values related to major disaster prevention measures and major disaster occurrence numbers, and conduct construction work in a safe manner at all times.	<ul style="list-style-type: none"> Workplace fatality: 0/year, lost-worktime injuries requiring more than 4 days of leave: 0/year 	Workplace fatality: (plants) 0, (construction sites) 1 Lost-worktime injuries requiring more than 4 days of leave: (plants) 2, (construction sites) 3 Rate of lost-worktime injuries: (plants) 2.64, (construction sites) 1.97
		Quality maintenance and improvement	The products handled by the Group are elements of important social infrastructure, and will be used by numerous people for many years. To ensure the safety and security of users, we strive to maintain and improve the quality of the products we supply at all times.	<ul style="list-style-type: none"> Serious accidents related to quality: 0/year Average construction grades of 83 or above (each fiscal year)* 	Serious accidents related to quality: 0/year Average construction grades: 81.45* *Excluding one construction whose calculation of grade is delayed due to the accident.
		Promoting technology development	We develop new technologies with low environmental impacts, such as CE high-strength bolts (Consideration of the Environmental issues of High-Strength Bolts) and new technologies that reflect social needs, such as floating breakwater.	<ul style="list-style-type: none"> Number of new launches of new technological developments: 10/year 	Number of new launches of new technological developments: 10/year
	3 Investing in human capital to achieve sustainable growth	Promoting diversity	We ensure the diversity of our human resources through active measures such as developing our female employees into powerful human resources as part of our efforts to promote women's advancement, performing mid-career hiring, hiring foreign employees, and other measures.	<ul style="list-style-type: none"> Promote initiatives to acquire and maintain two-star Eruboshi certifications at our business companies. Fulfillment rate of planned number of mid-career hires: 100% 	We are diligently promoting the initiatives.
		Improving operation efficiency and passing on technologies and skills by promoting DX, etc.	We promote the development of DX technologies that help improve productivity and operation efficiency. We also promote i-Construction ^{*1} to reduce labor needs and improve productivity. We leverage digital technologies and data to transform operation processes and work styles, and we work to pass on technologies and skills for posterity.	<ul style="list-style-type: none"> Digitization of technical data on past construction projects: 100% completion as soon as possible by the end of FY2025. Actively promote introduction of workflow systems, etc. using DX technology to improve work efficiency and reduce increase in workload due to new laws. 	We considered the specific methods of digitalization in FY2023, and will launch full-scale implementation in FY2024.
		Promoting diverse work styles and supporting career advancement	We have created childcare leave systems, nursing care leave systems, systems for temporarily resigning in order to provide at-home nursing care, systems for returning to resume one's career, and other systems to fit diverse work styles. Furthermore, we promote the acquisition of certifications, formulate education plans based on on-the-job training and personnel rotations, and enrich our training systems.	<ul style="list-style-type: none"> Promote initiatives to acquire Kurumin certification at our business companies. Promote establishment of various systems considering work-life balance. 	We are diligently promoting the initiatives.
		Thorough implementation of health and safety education, awareness-raising and thorough implementation of accident reoccurrence prevention measures	We place safety and the protection of human life first, prioritizing safety above all. To thoroughly establish this philosophy, we conduct group education, formulate and implement education plans for individual plants and worksites, and perform confirmation and guidance through our Safety Management Division. To prevent reoccurrence of accidents with the same causes, we implement reoccurrence prevention measures at the business company level, deploying these same measures in all the companies in our Group. We strive to prevent reoccurrence by raising awareness and ensuring thorough implementation of these measures.	<ul style="list-style-type: none"> Implementation rate of monthly safety training at plants and worksites: 100% Implementation rate of annual safety training for executives of partner companies: 100% 	Implementation rate of monthly safety training at plants and worksites: 100% Implementation rate of annual safety training for executives of partner companies: 100%
		Thorough prohibition of overwork and promotion of health management, including mental health	We promote information-sharing and education regarding the importance of work-hour management and health management. We thoroughly manage overtime in accordance with Article 36 of the Labor Standards Act in Japan, and we promote healthcare for employees with high overtime hours through consultations with occupational health physicians, etc.	<ul style="list-style-type: none"> Violation of Article 36 of the Labor Standards Act in Japan: 0/year Implementation rate of 4 weeks-8 days off: 100% (annual total) Implementation rate of guidance about consultation with occupational health physicians to employees with high overtime hours (45 hours or more/month): 100%* Implementation rate of consultation with occupational health physicians to employees with high overtime hours (80 hours or more/month): 100%* 	Violation of Article 36 of the Labor Standards Act in Japan: 0 Implementation rate of 4 weeks-8 days off: 89.5% *Implemented from FY2024
		Enriching benefits such as improving workplace environments and improving employee satisfaction through work style reforms	We consider our employees as vital human capital that is essential for our corporate growth. Based on the belief that improving employee satisfaction contributes to corporate growth, we enrich benefits such as workplace environment improvements and promote work style reforms.	<ul style="list-style-type: none"> Promote establishment of various systems considering work-life balance. Implement various initiatives for raising employee engagement. 	We are diligently promoting the initiatives.
G Governance	4 Enhancing compliance and governance	Enhancing our corporate governance structure	Based on the policy set forth in our corporate governance report, we promote the enhancement of our corporate governance system.	<ul style="list-style-type: none"> Implementation rate of trainings for Directors: 100% 	Implementation rate of trainings for Directors: 100%
		Thorough compliance education	We regularly conduct training regarding violations of the Antimonopoly Act, violations of the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, sexual harassment, power harassment, and the like, and we strive to maintain and improve our employees' compliance awareness.	<ul style="list-style-type: none"> Serious violation or accidents related to compliance: 0/year Implementation rate of twice a year compliance education for all employees: 100%* 	Serious violation or accidents related to compliance: 0 Implementation rate of annual compliance education for all employees: 100% *Twice a year from FY2024
		Fostering a corporate culture we can be proud of in society	We carry out education regarding making decisions and acting in accordance with the Basic Regulations for Compliance and Risk Management, the Charter of Corporate Behavior, and the Code of Conduct, creating a corporate culture that we can be proud of in society.	<ul style="list-style-type: none"> Awareness rate of all employees of the Charter of Corporate Behavior and the Code of Conduct: 100% Implement various initiatives for raising employee engagement. 	We are diligently promoting the initiatives.
		Maintaining transaction transparency	We strive to ensure thorough legal and regulatory compliance and compliance awareness. We maintain the transparency of our transactions through the appropriate operation of our internal control systems and Whistleblowing Regulations.	<ul style="list-style-type: none"> Serious accidents related to transaction transparency: 0/year Implementation rate of annual education for all employees regarding transaction transparency (to be held in the second half of the year): 100%* Implementation rate of annual internal audit: 100% + significant deficiencies in the internal audit: 0/year 	Serious violations related to transaction transparency: 0/year Implementation rate of annual internal audit: 100% Significant deficiencies in the internal audit: 0/year *Implemented from FY2024
		Thorough information security	We have created internal systems for preventing information leakage and we conduct education and training.	<ul style="list-style-type: none"> Serious accidents related to significant information security: 0/year Implementation rate of annual education for all employees regarding information security (to be held in the second half of the year): 100%* 	Serious accidents related to information security: 0/year *Implemented from FY2024

*1 i-Construction is a productivity reform project carried out by the Ministry of Land, Infrastructure, Transport and Tourism. It seeks to improve the productivity of entire construction and production systems by using ICT in all business processes, from measurement to design, construction, inspection, maintenance, and management.

Overview of the Medium-Term Business Plan (FY2022 to FY2026)



Progress Toward Business Targets

(Million yen)

	FY2021	FY2022	FY2023		FY2024		FY2026
	Results	Results	Forecasts	Results	Medium-Term Business Plan Targets	Forecasts	Medium-Term Business Plan Targets
Net sales	58,002	60,279	69,000	69,365	70,000	73,000	75,000
Operating profit	5,810	5,127	6,600	7,904	7,000	9,500	7,500
Ordinary profit	5,992	5,373	6,700	7,908	7,000	9,600	7,500
Profit attributable to owners of parent	3,406	3,077	3,500	4,354	3,800	4,400	4,000
Equity ratio	54.0%	56.3%	57.5%	53.5%		55%	
Return on equity (ROE)	10.7%	8.9%	9.6%	11.6%		10%	
Return on assets (ROA)	9.8%	8.6%	10.0%	11.5%		10%	

In light of the changing business environment, where the volume of orders are increasing for large-scale renovation projects with little sales growth in the first two to three years due to the fact that only detailed design work is carried out, MIYAJI ENGINEERING GROUP revised its Medium-Term Business Plan, which was previously planned for three years, to a five-year plan in order to make its overall growth trends easier to understand, and announced its Medium-Term Business Plan for FY2022 to FY2026 in May 2022. FY2022 and FY2023, which represent the first half of the plan, progressed well in general.

On the other hand, orders for highly difficult large-scale projects that

were expected to begin plant manufacturing around FY2025, as of FY2021 when the Medium-Term Business Plan was formulated, are delayed by more than two years compared to expectations at the time of planning, and the volume of orders for new construction-related projects from the Ministry of Land, Infrastructure, Transport and Tourism are also decreasing more than expected.

In light of these circumstances, in FY2024, which is the mid-point of our Medium-Term Business Plan, we plan to review our business plans and targets for FY2025 and FY2026 and make an announcement at our financial results briefing scheduled for late November 2024.

FY2023 Results

	Key strategies	Progress evaluation	Progress status
1	Participate in new, large-scale bridge projects	○	Technical proposals, etc., are being deliberated in preparation for an assured order for the major project of constructing a new bridge in the western extension of the Wangan (Osaka Bay) Route of the Hanshin Expressway.
2	Expand scale of activities in large-scale expressway renovation projects	◎	We have received orders for major projects such as superstructure, bridge pier, and foundation construction at a connection to a tunnel on the Route 6 Mukojima Line, which is being performed as part of the Nihonbashi area underground project. We continue to secure preferential negotiating rights for multiple other projects and are deliberating regarding technical proposals, etc. in order to receive orders for other projects.
3	Work on high-difficulty private sector construction projects	○	We are currently carefully considering technical proposals for some specific projects in the area of high-difficulty construction in private sector projects (railroads, buildings with large interior spaces and special buildings, and coastal structures), where our advanced technical capabilities have been evaluated highly.
4	Enhance technology development	○	We are engaging in joint development with ICT companies, DX companies, and manufacturers, implementing operation improvements.
5	Engage in capital investment aimed at growing business and improving efficiency	○	We are conducting large-scale renovation of our Kurihashi Equipment Center and carrying out plans to relocate and expand the Hyogo Equipment Center and the plan to build a new office building in the Chiba Works within the current Medium-Term Business Plan period.
6	Strengthen alliances	○	Through our industry-spanning JV with a general contractor, we have acquired orders for multiple large-scale renovation and maintenance-related projects. We are continuing to bid for other projects through this industry-spanning JV.
7	Expand sales of products developed in-house	○	We are steadily expanding sales of the products we have developed, such as FRP inspection access way, as set forth in our business plans.
8	Implement ESG measures	○	We are announcing KPIs in this Integrated Report. We have announced Scope 1, 2, and 3 greenhouse gas (GHG) emissions from FY2022 results.

Projects where we can fully leverage MEG's strengths, including both the quality and volume of its management resources

Technology Development

In order to continue growing sustainably and further contribute to society through the provision of safe and secure infrastructure, MIYAJI ENGINEERING GROUP works on developing new technologies every year, including new technologies with low environmental impacts, such as CE high-strength bolts (Consideration of the Environmental issues of High-Strength Bolts) and new technologies that reflect social needs, such as floating breakwaters.

New technologies developed in FY2023

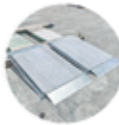
(1) Development of CE high-strength bolts (Consideration of the Environmental issues of High-Strength Bolts)

We have developed a new high-strength bolt (Consideration of the Environmental issues of High-Strength Bolt) with the aim of reducing the environmental impact of the bolt manufacturing process and improving the working environment during construction.



(2) Development of DAMPAS deck

DAMPAS deck is a step-crossing device that can be installed quickly by a small number of people thanks to its lightweight FRP material and simple structure to overcome steps and gaps in bridges caused by large-scale earthquakes without using sandbags.



(3) Development of FRP railway concrete barrier curb

FRP railway concrete barrier curbs are concrete barrier curbs for railways that use FRP pultruded panels, and this product prevents the spalling of concrete that occurs with conventional concrete barrier curbs.



(4) Development of labor-saving stud welding device

We have developed a "labor-saving stud welding device" in order to reduce the workload of welders and improve work efficiency in the welding process of stud dowels, which are necessary for composite girder bridges.



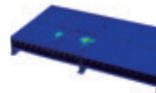
(5) Development of floating solar power generation

We are conducting joint research to develop film-type perovskite solar cells for use on water and at sea. We have begun Japan's first ever on-water demonstration experiment in a closed school swimming pool.



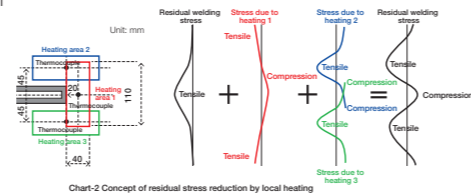
(6) Development of technology for improving design efficiency in deck replacement work

In order to deal with the rapidly increasing need to replace existing slab decks due to the deterioration of highway bridge slab decks over time, we developed a finite element method using influence lines that can reduce the labor required for inspecting existing girders when replacing slab decks.



(7) Development of technology to improve fatigue durability of steel slab decks

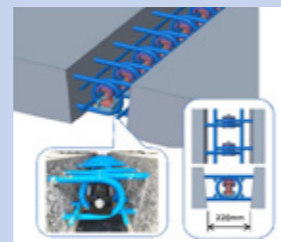
With the aim of rationalizing the structure and reducing costs by further improving the fatigue durability of steel slab decks, we have developed a technology to improve the fatigue durability of welded parts by reducing residual stress using high-frequency induction heating.



Technology Development Topics (8) Development of HD loop joints (tentative name)

In order to shorten construction times, we have come up with a new joint structure, the "HD Loop Joint Method," for the bridge axial joints of precast PC floor slabs. This construction method is an improved loop joint method in which the loop rebars of conventional loop joints, which are commonly used as a method for joining precast PC floor slabs, are connected together with special cast iron joint hardware. Loop joint connectors can be easily installed simply by tightening the bolts, therefore no skilled labor is required. They also have the following three features.

- (1) Labor-saving in construction: By installing loop joint connectors instead of rebars perpendicular to the bridge axis, it is possible to reduce the amount of work required to insert and tie rebars, which shortens work time.
- (2) Compacting gap width: Gap width can be shortened by about 50%, reducing the amount of concrete poured.
- (3) Equivalent performance to conventional RC loop joints: Fatigue durability equivalent to 100 years has been confirmed in wheel load running test based on NEXCO Testing Method 442.



Technology Development Topics (9) Development of next-generation floating breakwaters for long-period waves

One of the measures set forth in the Fisheries Agency's new long-term plan for fishing harbor and grounds improvement is the securing of calm water areas to create new aquafarming production sites by creating more areas suitable for fish farming. As a result, fish farms will be expanded offshore where they are exposed to longer wavelengths, and it is expected that there will be an increased need for floating breakwaters that have excellent wave-dissipating capabilities even for waves with longer wavelengths. We have conducted numerical fluid testing to confirm the wave-dissipating mechanism of conventional floating breakwaters, "open sea long-wavelength type (internal water flow vibration type)," which have an excellent wave-dissipating performance even for waves with long wavelengths. Moreover, we proposed a simpler structure and verified through numerical fluid analysis and water tank experiments that it had the same wave-dissipating performance as conventional breakwaters. Then, by verifying the wave pressure acting on it, we developed a new type of open sea long-wavelength floating breakwater. The establishment of this technology will make it possible to propose environmentally friendly, long-wavelength floating breakwaters that use less steel while maintaining the same wave-dissipating performance as conventional breakwaters.



DX Strategies

The construction industry is facing challenges such as the rising age of workers and personnel shortages. This is creating a need for DX strategies that contribute to productivity improvements, the prevention of long working hours, and the succession of construction techniques. MIYAJI ENGINEERING GROUP is working to develop DX-related technologies in order to contribute to business efficiency, improve labor savings and productivity by promoting i-Construction, reform work processes and work styles by utilizing digital technologies, and pass on various technologies and skills.

Future developments in the digitization of microfilm - Using the Group's traditions and experience as the foundation for DX strategies -

In order to utilize our accumulated construction experience using AI, the Group is first working to digitize 100% of its documents related to past construction work.

Microfilm	Electronic data
<p>If this continues, precious information will go to waste. There is also a risk of film deterioration.</p>	<p>Upload it as training data for generative AI DX expansion using generative AI that leads to improved business efficiency!</p>
Accessibility <ul style="list-style-type: none"> It takes a long time to find the required film Must be viewed or printed using a special reading machine 	<ul style="list-style-type: none"> Search software allows for instant searches Accessible from anywhere with an internet connection
Storage location <ul style="list-style-type: none"> Physical space required 	<ul style="list-style-type: none"> No physical space required as information is stored on a cloud server
DX compatibility <ul style="list-style-type: none"> In film form, there is no compatibility with electronic devices 	<ul style="list-style-type: none"> Electronic data with character recognition has high compatibility with electronic devices To utilize rapidly developing generative AI in business, it is necessary to prepare highly accurate training data

Initiatives by MIYAJI ENGINEERING CO., LTD. to improve business efficiency

MIYAJI ENGINEERING CO., LTD. is preparing to introduce an electronic contract system for contracts and other documents with business partners in order to reduce environmental impact, improve work processes, and strengthen compliance. The company's targets are to reduce contract processing time for current paper-based transactions by 50%, reduce printing, mailing, and storage costs by 30% annually,

maintain 100% accuracy and legal validity of contracts, reduce the annual amount of paper used for contracts by 70%, and automate the previously manual process of receiving invoices, registering payments and transferring funds, which also leads to improving the efficiency of payment operations. By combining all of these, the company aims to achieve results that exceed the targets.

Initiatives by MM BRIDGE CO., LTD. to improve business efficiency

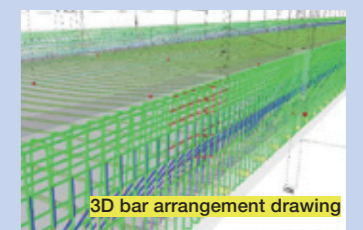
In response to the Revised Electronic Books Preservation Act requiring the storage of electronic transaction data, MM BRIDGE CO., LTD. introduced DocuWare and curbed an anticipated increase in workload. In addition to storing electronic transaction data, DocuWare also complies with scan storage regulations, and by utilizing the workflow and import functions, the company was able to introduce DocuWare without making any major changes to its existing business processes. This also prompted

the company to build a unified workflow system and comprehensively digitize documented evidence used in materials operations, eliminating the need to store tens of thousands of sheets of paper evidence or mail them between locations, which has significantly advanced paperless operations. The company will continue to promote digitalization* in various fields with the aim of realizing sustainable business operations. *Digitalization: Digitization of work processes/workflows

Technology Development Topics (10) CIM-SLAB

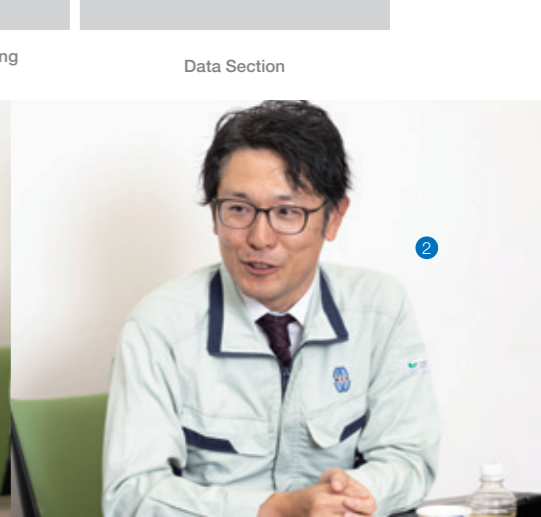
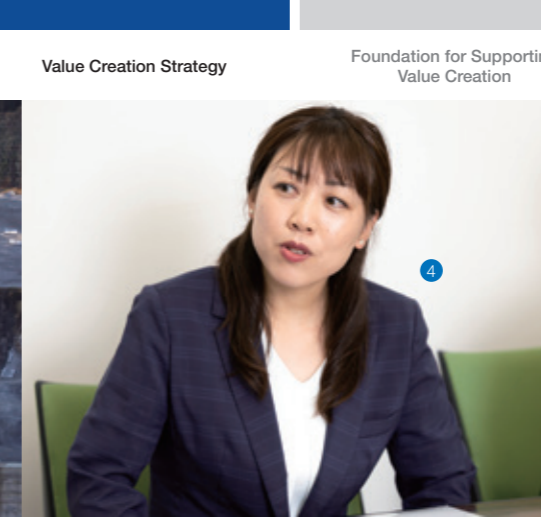
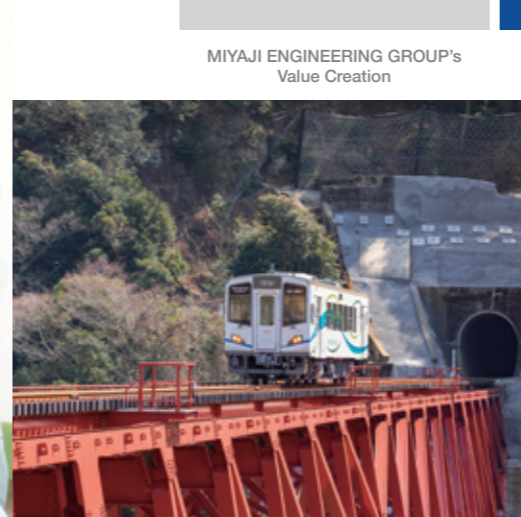
CIM-SLAB is a system for creating CIM models of floor slabs and bridge faces that aims to improve the efficiency of design work. With this system, the linear coordinates of a bridge are read, and the numerical values required for allocation and design are registered as parameters. Then, when the program is executed, it automatically places and checks the relevant components of the wall balustrades and floor slabs, and outputs 2D drawings as well as 3D models and quantities of wall balustrade reinforcements, floor slab reinforcements, and PC steel materials without the need to operate a 3D CAD system.

Moreover, by incorporating an annotation function (to record design notes, etc.) into the system input screen, a mechanism is created that allows the system itself to grow sustainably as usage increases. This will make up for the lack of experience of young engineers, and we hope that in the future CIM-SLAB will become a new "core design system" that combines the knowledge of veterans with the new ideas of young engineers.



Roundtable Discussion

Outside Director
×
MMB Employees and a Partner
Company Employee



Through the use of our outstanding technical capabilities and strong human resources, we will resolve various issues in bridge design and construction and contribute to the creation of a sustainable society

Focusing on the smooth execution of projects in our respective positions

Ota: I joined Nippon Steel Corporation (Shin Nippon Seitetsu Kabushikikaisha) (currently NIPPON STEEL CORPORATION) in 1970 and served as Managing Director and Deputy Manager of the Engineering Unit. I also served as Executive Vice President and Representative Director of Nippon Steel Engineering Co., Ltd. (Shin Nippon Seitetsu Engineering Kabushikikaisha) (currently NIPPON STEEL ENGINEERING CO., LTD.). I was appointed as an Outside Director of MIYAJI ENGINEERING GROUP in 2018, and have also served as an Audit and Supervisory Committee Member since June 2021. I would like to hear the opinions of those of you who are leading the forefront of MEG's technology and use said opinions to improve our management and business operations going forward.

Kitagawa: I am team leader of the Design Group at MM BRIDGE CO., LTD. (hereinafter, "MMB"). Of all the projects I have taken part in, the one that has left the biggest impression on me is the First Shirakawa Bridge on the Minamiaso Railway. The reconstruction work of the First Shirakawa Bridge, which was severely damaged in the 2016 Kumamoto Earthquake, was completed in March 2023. As a design management engineer, I was involved in almost every aspect of this project, from detailed design work to erection, and we mobilized all of MMB's knowledge and technology to resolve various technical issues. As a result, the First Shirakawa Bridge was awarded the "Tanaka Award" (Project Award) in 2022, an award given by the Japan Society of Civil Engineers to recognize exceptional results in bridge and structural engineering.

Miyamoto: I joined MMB in February 2021 as a mid-career recruit and I am currently working in the Sales Department, mainly dealing with customer support work regarding construction work after an order is received. The first project I was put in charge of after joining the company was the First Shirakawa Bridge. I was inexperienced and probably caused trouble for those around me, but I was able to get the job done thanks to the support of MMB, partner companies, and most of all, the people at Minamiaso Railway Co., LTD. Currently, I am in charge of three projects: junction construction work for an expressway management company, a new bridge construction project for local governments, and an earthquake-resistance reinforcement project.

Umabayashi: I am a member of MMB's Construction Group 2, and am currently involved in preliminary discussions and preparatory work for the superstructure, bridge pier, and foundation construction at a connection to a tunnel on the Route 6 Mukojima Line as part of the Metropolitan Expressway's Nihonbashi area underground project. This project is being undertaken jointly with JFE Engineering Corporation, KAJIMA CORPORATION, and TOA CORPORATION. Full-fledged construction is scheduled to begin in October 2024 and be completed in 2036, making it a massive project spanning 12 years. I think this will be a technically challenging project, as it comes with strict overhead restrictions and other factors. However, this project is attracting a great deal of attention from society as it aims to restore the original scenery of Nihonbashi under a blue sky, and I am determined to bring together the technologies and knowledge of MMB and the joint venture companies to lead the project to success.

MIYAJI ENGINEERING GROUP's
Value Creation

Value Creation Strategy

Foundation for Supporting
Value Creation

Data Section

- ① Outside Director and Audit and Supervisory Committee Member Hidemi Ota
- MM BRIDGE employees**
- ② Design Team 1, Design Group, Engineering Department Junichi Kitagawa
- ③ Construction Group 2, Construction Department Eiji Umabayashi
- ④ Sales Group 1, Sales Department Yukie Miyamoto
- Partner company employee**
- ⑤ General Manager of Project Promotion Department, Ueda Construction Co., Ltd. Mitsuyoshi Tsujimura

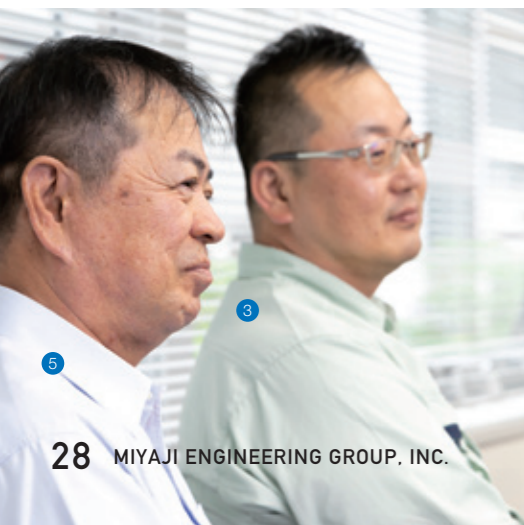
Tsujimura: My name is Tsujimura and I work at Ueda Construction Co., Ltd. We received great assistance from Manager Umabayashi for the First Shirakawa Bridge, and from MIYAJI ENGINEERING for the Kizugawa Bridge in Kyoto. In particular, I still vividly recall how, during the reconstruction work of the First Shirakawa Bridge, we adopted the cable crane erection method with vertical suspension cable for the removal of the old bridge, which was the first time for our company, and in doing so overcame the limitations of time and space. Thanks to the guidance and support we received from Manager Umabayashi as well as Mr. Kitagawa, who has a wealth of knowledge concerning bridges, we were able to work efficiently while still prioritizing safety.

Umabayashi: I agree with what Director Ota has pointed out. The First Shirakawa Bridge is located in a steep valley, and the old bridge that had been damaged in the earthquake still remained, therefore construction work came along with many difficult conditions. When I first saw the site, I wondered whether it was really possible to replace a bridge in a location like this. However, thanks to Mr. Kitagawa, Mr. Tsujimura, and the many other people involved in construction, who all pooled their wisdom and skills and devoted themselves to their work, the new bridge was completed. Afterwards, I felt that it was very rewarding to receive words of gratitude from railway workers and local residents.

Savoring the joy of partaking in "work that leaves its mark on the map"

Ota: Listening to all of you, I can see that you have all been doing your best to make the projects you take charge of a success, and I find this very encouraging. I would like to express my respect for the way everyone, from those of you in sales and design to those of you working on-site, has utilized the knowledge and know-how you possess in your respective positions to ensure the smooth and efficient progress of work processes. Although your positions and areas of expertise may differ, I was reminded that what makes work rewarding is each of us fulfilling our roles and then having those roles be commended by customers, those around us, and ultimately society at large.

Kitagawa: This discussion concerning rewarding work reminds me of when the Seto Ohashi Bridges were opened. I am from Kochi Prefecture, and the Seto Ohashi Bridges were completed when I was in the upper grades of elementary school. I still vividly remember the excitement I felt at being connected to Honshu. That excitement may very well be what led me into the bridge construction industry. Construction and civil engineering, and especially bridge construction, are often said to be "works that leave their marks on the map." Another deeply appealing aspect of these jobs is that they are appreciated by many people. However, I would also like to add that one of the joys of participating in bridge work is seeing the local communities on both sides of a bridge change for the better once the bridge is completed and opened to traffic.





Miyamoto: Fundamentally, making things is fun. Looking back on my elementary school days, I really enjoyed clay modelling, and I remember that the boys were fascinated by assembling plastic models. So when it comes to building a real bridge, there's simply no way that it wouldn't be fun. If I have the chance to travel along the Minamiaso Railway with my children or grandchildren in a few decades' time, I'd like to be able to brag and say, "This was built by my company." I feel like it is a privilege to be able to experience the joy and fulfillment of working in a job that leaves its mark on the map.

Collaborations between MMB and partner companies as well as between design work and on-site operations lead to the success of projects

- Thrive and grow together -

Ota: The success or failure of a project is determined 70 to 80% by the planning. However, even if one is well prepared, unexpected problems can occur. I have been involved in many unprecedented large-scale projects, such as the Tokyo Bay Aqua-Line, and various failures occurred. When this happens, the important thing to do is focus on how to recover. First, one must promptly report accurate information about the problem to the Head Office and the customer. Then, the strengths of the entire company, including partner companies, must be pooled to devise and implement countermeasures. The history of human technological progress is also a history of failure. If we fear failure, we cannot take on new challenges. How we tackle problems or issues when they arise is what tests the true worth of our employees, our engineers, and ultimately our company.

Kitagawa: The importance of preparation and planning that Director Ota mentioned was keenly felt during the construction of the First Shirakawa Bridge. When dismantling the damaged bridge, we used non-destructive measurements to check whether any significant stress was occurring, and we compared sequential analysis values with deformation and reaction force as we proceeded with cutting work. And yet despite our thorough preparations, I was so anxious that I couldn't sleep at night. We undertake all possible preparations before starting construction work, but if something still fails, we implement countermeasures swiftly and reliably. I feel it is important to approach work with this kind of resolve.

Umebayashi: It is also important that everyone working on-site, including people from partner companies, share the goal of making the job a success and work closely together to move the project

forward. Construction work will not be completed if MMB alone gathers talented people. Fortunately, for the First Shirakawa Bridge, Mr. Tsujimura gathered a large number of highly skilled on-site technicians, and the design and planning divisions eliminated key construction issues in advance, which enabled on-site work to proceed smoothly. In this technically challenging work site, I strongly felt that everyone worked together and complemented each other by dividing up roles based on technologies and skills. I believe that one of the reasons that the project was a success was the strong collaboration between MMB and the partner companies.

Tsujimura: Through my work on the First Shirakawa Bridge, I was also reminded of the importance of collaboration between MMB and partner companies. Although it may be difficult in a prime contractor/subcontractor relationship, I would venture to say that in the case of special projects, collaboration between the two companies would be more effective if my company got involved as early as possible in the planning stages. Currently, it is customary for MMB and Ueda Construction employees to meet up on-site and adjust the work details and procedures as necessary. By getting involved from the planning stage immediately after receiving an order, we can communicate in advance our areas of expertise and the functions we can provide for the relevant project, which should make on-site work even more efficient.

Ota: I would like to seriously take Mr. Tsujimura's comments into consideration. We often use the phrase "collaboration of technologies and skills," and our role is to respond to the challenges and needs of customers by leveraging the technologies held by MMB and the skills held by our partner companies, including Ueda Construction Co., Ltd. By involving partner companies from the planning stage, it is likely that the effectiveness of collaborations could be increased.

Kitagawa: I believe that cooperation between the design and construction divisions is key to completing a project. At MMB, those in charge of design are not only responsible for designing the basic structure of a bridge, but also for arranging for the purchase of bolts and other items, analyzing the steps during erection, and designing the erection reinforcement materials. It is also a corporate culture that they are involved at every stage as project managers, from upstream to downstream, and I feel that this is the foundation of our differentiation and superiority in the industry. It is also important that we not forget the existence of employees like Ms. Miyamoto, who support the progress of projects from a sales perspective.

Ota: As a company involved in the construction of social infrastructure, it is essential that the design and on-site teams work together and communicate with each other throughout the working process. Looking at bridge manufacturers in Japan, it seems that

there are many cases in which job areas and functions are clearly divided, with designers only doing design work and construction workers only doing construction work, but I think this is not a good idea, also from a perspective of employee skill development. It is impossible to create a good design without any on-site knowledge, and conversely, employees with design experience will often be able to make more appropriate on-site decisions.

Differentiating ourselves from other companies through unique order strategies and human resources utilization

Ota: As an engineer, I have approached work and technology with the motto of not following the past, not following other companies, and always seeking out new things. Since the 1970s, NIPPON STEEL, the company I worked for, has been working to develop new areas, such as by entering the engineering field. In order to overcome the high hurdles to enter this field, we actively invested management resources in developing technologies and business models that other companies did not possess. My motto has been shaped by these past experiences. On the other hand, what about the bridge industry? As science and technology evolve day by day, what new technologies have bridge manufacturers created? What should the future of bridge technology look like? What should we do to enhance the uniqueness of MMB? I'd love to hear everyone's views.

Kitagawa: In the steel bridge field, which can be described as a mature industry with a long history, technological innovation is somewhat slow and it can be difficult to demonstrate uniqueness in terms of technology. However, even in such circumstances, MMB has always focused on developing new technologies and methods, and has been working on developing new technologies such as damper braces and high-performance steel slab deck as well as sustainable technologies such as coral farming. I believe that the results of this positive approach are evident in our order record as well as our design and construction track record over the past few years. For example, as symbolized by the First Shirakawa Bridge, we have successfully completed projects that faced many technical challenges, such as difficulties in construction and a lack of suitable erection methods. Rather than focusing on bridges that any company could build, we are more likely to effectively enhance uniqueness by focusing on projects that utilize MMB's technical capabilities, problem-solving skills, and cost management capabilities.

Umebayashi: I believe that human resources development is also key to enhancing uniqueness. As the population ages and the birthrate declines, the bridge industry is also facing issues related to human capital, such as labor shortages and difficulties in recruiting. Meanwhile, it is becoming increasingly typical for bridge erection sites to have harsh environments with numerous technical and spatial constraints. I believe that having the young people who will lead MMB in the future work in such environments is meaningful to both the company and the individuals themselves. I get the sense that we can differentiate ourselves from other companies by developing human resources who can demonstrate their abilities and motivation

anywhere, and by supporting their active participation. Moreover, in order to promote human resources development, I think it is important to create a comfortable working environment, including through the development of educational programs and the utilization of DX and AI.

To continue meeting stakeholder expectations

Ota: I believe that MMB should aim to become an engineering constructor. To do this, it is essential to continue focusing on the development of new technologies and new construction methods, as well as the proactive introduction of AI and robots in anticipation of the declining working population. We must also take sustainability into consideration, such as by developing and using materials that emit less carbon dioxide. With all of you, I would like to pursue the further growth of MMB, and ultimately of MIYAJI ENGINEERING GROUP, and live up to the trust and expectations of stakeholders. Finally, I would like to hear your aspirations for the future.

Tsujimura: Listening to everyone's comments, it became clear to me that MMB employees are giving serious thought to the past and future of bridges. Going forward, Ueda Construction Co., Ltd. will continue to hone its skills and contribute to the healthy development of the industry as a reliable partner of MMB.

Miyamoto: In order to fulfill my sales responsibilities, I believe it is important to thoroughly understand the direction of the company's technology and management, as well as to accurately grasp the needs of the market and customers, and then communicate this to the design and construction divisions. In order to further strengthen our co-creative relationships with customers, I will strive to collect and analyze the latest information on market trends and bridge technologies, and share it with all divisions within the company as well as with partner companies. In addition, I would like to promote the role and appeal of MMB, which supports social infrastructure not only for its customers, but for everyone, and contributes to the safety and security of the nation.

Kitagawa: Although bridge technology may be said to be mature, technologies and know-how are still constantly being updated. I am determined to grow as an engineer while constantly keeping up with cutting-edge technologies. Moreover, in order to create new value, it is necessary to "think" about MMB's vision and strategies without being overwhelmed by daily work. I would like to further accelerate our DX initiatives, which are key to improving work efficiency, so that all employees, in addition to myself, can have time to "think."

Umebayashi: Earlier, Director Ota spoke about the importance of recovering from failure. I have been reflecting on the fact that at some point during my career as a company employee, I may have become afraid of failure and held back from taking on challenges. I would like to approach my duties with a spirit of challenge, and at the same time, strive to foster a corporate culture that values taking on challenges. Let's all do our best together.

Financial Capital Strategy

Basic policy of financial capital strategy

MIYAJI ENGINEERING GROUP considers establishing highly sustainable corporate structure from a medium- to long-term perspective, enhancing corporate value, and returning profits to shareholders to be important management measures. At the same time, our basic policy is to implement a well-balanced capital policy, including investing for sustainable growth, which is a concept we share with our shareholders and stakeholders.

Review of FY2023

During FY2023, the Japanese economy continued to recover gradually despite periodic standstills. Meanwhile, there is a risk that a downturn in overseas economies could put downward pressure on the economy due to the effects of global monetary tightening and concerns about the outlook of the Chinese economy, and continued caution is required against the effects of rising prices, the situations in the Middle East, and volatility in financial and capital markets. Furthermore, we must also pay close attention to the economic impacts from the 2024 Noto Peninsula Earthquake that occurred in January 2024 and the support required for victims of the disaster.

Even under such circumstances, public investment remained firm during FY2023. In the Group's mainstay bridge business segment, which includes highway and railway bridges, orders for new construction-related projects totaled ¥275.5 billion (based on our aggregate calculation) on par with the volume of orders in the previous fiscal year. On the other hand, in terms of large-scale renovation and maintenance-related projects, orders were below the ¥320.0 billion forecast (based on our estimate), which we

Financial result forecasts for FY2024

With regard to the outlook for the Japanese economy in FY2024, the Japanese government is expected to quickly and steadily implement its "Comprehensive Economic Measures for Completely Overcoming Deflation" policy and the supporting FY2023 supplementary budget and the FY2024 budget. Moreover, based on the "Basic Policy on Economic and Fiscal Management and Reform - Realizing a Growth Economy that Drives Wage and Investment Increases," etc., wages are expected to increase above inflation levels and advances are expected in the tackling of social issues and the improvement of productivity through coordinated investment by both the public and private sectors.

Looking at the budget related to public works for the current fiscal year, at the same level as in the previous fiscal year on an initial budget basis, budgetary measures have been taken for disaster prevention and mitigation, promotion of national land resilience, and other initiatives related to the safety and security of the people of Japan. A certain level of orders is expected to continue to be received by executing the related budget.

In the Group's mainstay bridge business segment, while competition for orders for new bridges continues to be severe and orders from the Ministry of Land, Infrastructure, Transport and Tourism have declined more than expected, orders received for large-scale expressway renovation and maintenance projects, which require high technical and construction capabilities both in terms of quality and quantity, are expected to remain steady. Furthermore, progress is being made in the placement of orders for highly difficult, large-scale projects, creating a business environment in which the Group can be expected to make major advances in the medium term. In railroad-related projects, many projects are planned in the Tokyo area, including terminal station redevelopment projects, continuous grade separation projects, large-scale bridge over railway

set at the beginning of the current fiscal year, at ¥233.8 billion (based on our aggregate calculation). However, we anticipate continued orders above a certain level going forward.

In this environment, orders received amounted to a record high of ¥84,486 million (up 26.8% year on year) due to orders received for large, technically challenging new construction-related projects, large-scale renovation and maintenance-related projects, railroad-related projects.

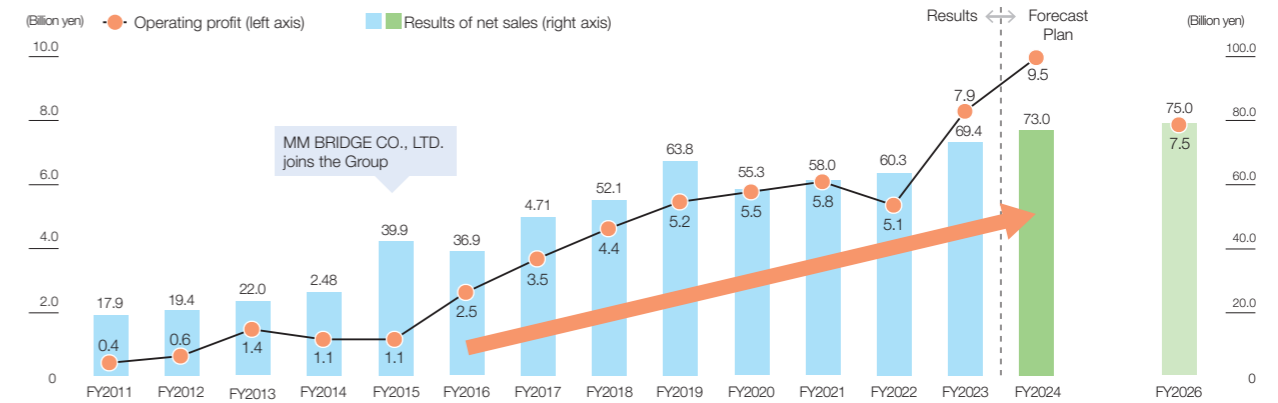
Net sales also amounted to a record high of ¥69,365 million (up 15.1% year on year), as a result of largely steady progress in existing projects.

As a result of efforts to improve production efficiency and construction profitability, operational efficiency improvements through work style reforms, and increased sales caused by carry-over from the previous fiscal year, operating profit was ¥7,904 million (up 54.2% year on year), ordinary profit was ¥7,908 million (up 47.2% year on year), and profit attributable to owners of parent was ¥4,354 million (up 41.5% year on year).

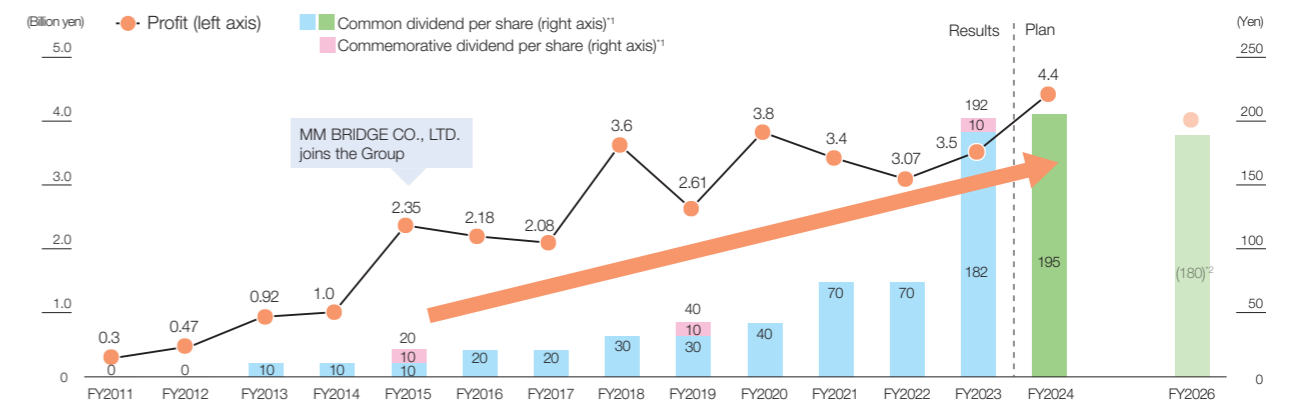
projects, and reconstruction projects. These projects will enable the Group to demonstrate its safe, secure and advanced technical capabilities more so than ever before.

In this business environment, we will further strengthen our management control system as a group to build a stronger revenue base. At the same time, we will work as one team with MIYAJI ENGINEERING CO., LTD. and MM BRIDGE CO., LTD., which form the core of the Group, to "thrive together" and "grow together" with our stakeholders as a company that is one step ahead of its competitors. To this end, we have formulated and implemented the Medium-Term Business Plan that began in FY2022. In the previous fiscal year, which was the second year of the plan, we achieved results that exceed the targets. Due to factors such as delays in the placement of orders for difficult, large-scale projects which, at the time of the formulation of the Medium-Term Business Plan, were expected to begin in FY2025, we are revising our business plan and targets for the fiscal year ending March 31, 2027. We will continue to optimize our management by appropriately allocating management resources to new construction-related, large-scale renovation and maintenance-related, and private-sector projects (including railroad-related, buildings with large interior spaces and special buildings, and coastal structures projects). In addition, we will strive to achieve sustainable growth from a medium- to long-term perspective by improving productivity through technology development and digital transformation (DX), securing and training human resources, promoting the career advancement of women, and carrying out work style reforms. Furthermore, as indicated in the "Action to Implement Management that is Conscious of Cost of Capital and Stock Price," which we have disclosed following last year, we will continue to strive to achieve sustainable growth and increase our corporate value.

Net Sales and Operating Profit: Results and Plan



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



*1 The Company conducted a two-for-one stock split of its common shares on October 1, 2023. Dividends per share reflect this stock split.
*2 Revised based on contents of timely disclosure materials disclosed on August 9, 2023

Financial characteristics of our business

Characteristics of the Group's cash flows

In the Group's mainstay bridge business segment, the Group collects construction fees based on sales of completed work each fiscal year. This is especially true of projects ordered by government agencies and expressway management companies. Therefore, the Group's cash flows tend to be dominated by cash inflows in the first half of the fiscal year and cash outflows in the second half of the fiscal year. As a result, the Group tends to run a net debt during the fourth quarter (January to March).

In addition, especially in the case of large-scale expressway renovation projects, the process involves plant fabrication and on-site erection after design work for the ordered project is completed. During the one or two year period until the design work is completed, no sales of completed work are recorded, which makes it difficult to recover fixed costs. We expect this situation to become more pronounced if large-scale renovation projects increase and the business expands. In addition, considering the risk of a temporary halt of cash inflows, the Group needs to cover subcontractor payments at plants and construction sites, as well as fixed costs, including plant maintenance costs. Therefore, it is necessary to maintain cash reserves of around two to four months (¥10.0 to 20.0 billion) of monthly sales at all times.

Securing our equity to withstand risks

With regard to the risk of damage to our equity, our Group works on a large number of large-scale, high-difficulty construction projects, such as highway bridge, railway bridge, and special steel structure construction projects. Therefore, there is a risk of accidents, such as bridge girders falling on public roads or railways during construction. Although we employ thorough safety measures, if an accident does occur, this could not only result in further construction costs, such as the cost of remanufacturing and reconstruction, but also the obligation to compensate any damaged third parties. Furthermore, a suspended nomination following an accident could have a major impact on future work volume. Although the Group prepares for such situations through the use of third-party liability insurance, etc., there are limits to the amount of loss compensation that is possible.

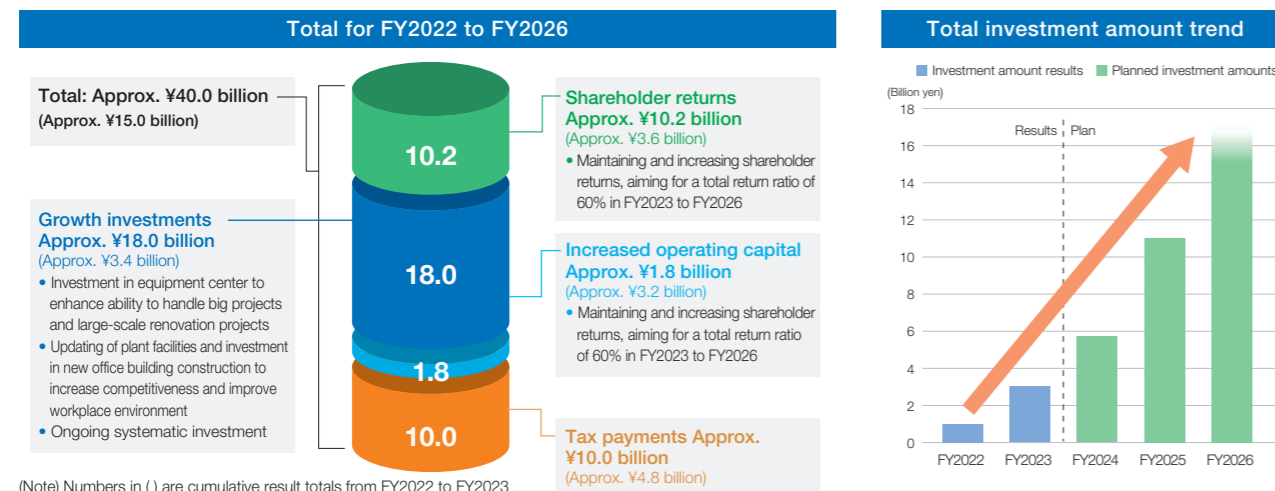
With regard to natural disaster risk, if a large-scale natural disaster occurs in the area near one of our construction sites in Japan, it could cause the long-term suspension of production activities and could incur major recovery work costs. The new office building construction that is currently being planned is part of our business continuity plan (BCP) for ensuring the safety and security of employees and for responding in the event of the destruction of the Tokyo Head Office.

The Group will strive to increase its equity to be able to continue its business even in the event of a major disaster that causes production activities to be halted, while covering fixed and temporary costs incurred until business activities can resume.

Capital strategy

The Group considers establishing highly sustainable corporate structure from a medium- to long-term perspective, enhancing corporate value, and returning profits to shareholders to be important management measures. At the same time, our basic policy is to implement a well-balanced capital policy, including investing for sustainable growth, which is a concept we share with our shareholders and stakeholders. Specifically, we forecast EBITDA of approximately

¥40.0 billion to be earned during the new Medium-Term Business Plan period, and we plan to invest in growth for approximately ¥18.0 to 20.0 billion. In addition, we plan to increase our operating capital to prepare for increasing operating capital aimed at expanding business scale, risk of losses due to participation in high-difficulty construction projects, and business continuity plans for natural disasters such as earthquakes directly striking the Tokyo area.



(Note) Numbers in () are cumulative result totals from FY2022 to FY2023

Breakdown of investment strategy

	Investment forecast for next five years	Cumulative total	Details on investments
Production capacity efficiency improvement and optimization	Yard improvement and space utilization efficiency improvement	¥0.15 billion	¥0.02 billion
	Rebuilding of painting plant	¥1.30 billion	¥0.93 billion
	Updating and repair of plant equipment, seismic reinforcement of buildings	¥2.50 billion	¥0.72 billion
	New office building construction	¥6.00 billion	—
	Equipment Center renovations	¥1.05 billion	¥0.69 billion
	Equipment Center equipment replacement	¥1.70 billion	¥0.68 billion
	Addition of revisions to Kurihashi Equipment Center storage yard	¥1.05 billion	—
Carbon neutrality-related investment	Addition of relocation and expansion of Hyogo Equipment Center	¥1.25 billion	¥0.01 billion
	Addition of specific initiatives for achieving carbon neutrality by 2050	¥0.90 billion	¥0.01 billion
Business portfolio expansion and optimization	New business development	¥1.10 billion	¥0.35 billion
Reinforce comprehensive engineering functions	Technology development		
	M&As	Envisioned as being between ¥1.0 to 3.0 billion	—
Total growth investment		Envisioned as being between ¥18.0 to 20.0 billion	

Shareholder return policy

The Company positions the return of profits to shareholders as an important management measure, and strives to maintain and increase shareholder returns. We will achieve the profit target under the Medium-Term Business Plan (FY2022 to FY2026), with the aim of maintaining and further increasing the dividend per share. In addition, we will appropriately control the level of equity capital, paying careful attention to maintaining capital efficiency toward achieving a target of 10% ROE under the Plan, while flexibly

implementing shareholder returns when performance is strong.

At the same time, we have a basic policy of implementing a well-balanced capital policy, including investments for sustainable growth, which is a concept shared by all shareholders and stakeholders, and a certain level of capital reinforcement. Under this policy, we will strive to maintain and increase shareholder returns with the target dividend payout ratio of 60% under the Medium-Term Business Plan.

Business management that is conscious of cost of capital and stock price

In FY2022, which was the first year of the Medium-Term Business Plan (FY2022 to FY2026), MIYAJI ENGINEERING GROUP'S ROE (return on equity) fell short of the 10% target under the Plan, due in part to the steady accumulation of equity capital. However, in FY2023, we exceeded the target to achieve 11.6%, due to our revised dividend policy with a target equity ratio of 55% and strong performance, and we believe that the Company has continued to maintain a level of return on capital that is equivalent to or higher than the cost of shareholders' equity. As a result of our efforts to gain recognition from the market regarding our initiatives on the "Action to Implement Management that is Conscious of Cost of Capital and Stock Price" announced on August 9, 2023, the PBR (price book-value ratio) rose to 1.50 times at the end of FY2023, exceeding 1.0.

	FY2019 (Actual)	FY2020 (Actual)	FY2021 (Actual)	FY2022 (Actual)	FY2023 (Actual)	FY2024 (Forecast)
Net sales (Million yen)	63,841	55,268	58,002	60,279	69,365	73,000
Operating profit (Million yen)	5,241	5,501	5,810	5,127	7,904	9,500
Profit attributable to owners of parent (Million yen)	2,616	3,808	3,406	3,077	4,354	4,400
Equity ratio	43.8%	49.6%	54.0%	56.3%	53.5%	55%
ROE	10.4%	13.5%	10.7%	8.9%	11.6%	10%
Net assets per share (Yen)*	1,922.04	2,214.87	2,452.49	2,608.98	2,916.70	—
Year-end share price (Yen)*	810.00	1,184.50	1,730.00	1,870.00	4,385.00	—
PBR (Times)	0.42	0.53	0.71	0.72	1.50	—

*Net assets per share and year-end share price have been calculated assuming that a two-for-one share split conducted on October 1, 2023 had been conducted at the beginning of FY2019.

In FY2024, continuing from FY2023, the Group will aim for medium- to long-term sustainable growth and further enhancement of its corporate value, with a target of 10% ROE by implementing the following measures.

1	Achievement of the Medium-Term Business Plan (FY2022 to FY2026)	<ul style="list-style-type: none"> We will steadily implement plans involving the well-balanced investment of management resources in large construction projects for new bridges, large-scale expressway renovation projects, highly difficult construction projects in the private sector, and other undertakings. We have formulated and are implementing investment plans consisting of 18.0 to 20.0 billion in total over the five years of the Medium-Term Business Plan to improve efficiency and optimization of plant production and on-site construction capacity, develop new business, and reinforce our general engineering functions.
2	Implementation of active IR activities	<ul style="list-style-type: none"> We will hold financial results briefings, one-on-one meetings, tours, etc. We have formulated and are implementing investment plans in English, including General Meeting of Shareholders convocation notices and financial results. We will update our integrated report, which we started publishing in FY2022, on an annual basis.
3	Buy-back of shares	<ul style="list-style-type: none"> The liquidity of the Company's shares was enhanced through the implementation of active IR activities and by the effects from a share split implemented on October 1, 2023. The Company will acquire 350,000 shares of its treasury shares with ¥1,494 million (percentage of total number of issued shares (excluding treasury shares): 2.6%) on August 8, 2024, to further improve capital efficiency and enable the execution of a flexible capital policy in response to changes in the business environment.
4	Implementation of a share split	<ul style="list-style-type: none"> We will conduct a two-for-one share split of the Company's common shares on October 1, 2024.
5	Continuation of the dividend policy (implementation of capital efficiency-conscious, flexible shareholder returns)	<ul style="list-style-type: none"> We will appropriately control the level of equity capital, paying careful attention to maintaining capital efficiency so as to achieve the Medium-Term Business Plan target of 10% ROE. We will promote a well-balanced capital policy, including investments for sustainable growth and a certain level of capital reinforcement. We believe that equity capital equivalent to roughly seven months of monthly sales (60% of annual net sales) is required to ensure the sustainable growth, given the accident risks and natural disaster risks we face due to our business characteristics, and we have set our equity ratio target at approximately 55%. For the shareholder returns for period up to FY2026, the final year under the Medium-Term Business Plan, we will implement flexible shareholder returns that are commensurate with performance, with a target dividend payout ratio of 60%, with the aim of achieving the 10% ROE targeted under the Medium-Term Business Plan, thereby keeping the level of equity capital under adequate control.
6	Reduction of cross-shareholdings	<ul style="list-style-type: none"> We will reduce cross-shareholdings for which we deem the significance of holding these shares to be insufficient based on dialogue with the companies in which we hold shares. We will also reduce the ratio of the cross-shareholdings book value to consolidated net assets to 10% or less during the period of the Medium-Term Business Plan.



MIYAJI ENGINEERING CO., LTD.



Tadashi Uehara
President and
Representative Director

Continuing to develop sustainably and further contributing to society broadly as a company that creates social capital

Since MIYAJI ENGINEERING CO., LTD. was founded, we have developed our business focusing on the construction of steel bridges, the foundations of the road infrastructure that supports the social lives of people in Japan. Our constant mission, and our reason for existing, is to provide the people in Japan with safety and security through this social capital creation, making their lives more convenient and richer. We will continue to be a comprehensive engineering company in the top class in the industry through fabrication, which is performed in a plant, and engineering, which is performed on-site. We will develop and make full use of labor-saving and manpower-saving technologies that are required in preparation for the declining birthrate, and by doing so, we will make contributions throughout society to help ensure the sustainable development of our country.

Business description

The mainstay businesses of MIYAJI ENGINEERING CO., LTD. include the design, manufacture, erection, maintenance, and renovation of bridges, steel-framed buildings, and other steel structures; erection of pre-stressed concrete; and assembly of structures with large interior spaces and steel towers, such as dome steel frame. By further reinforcing the mainstay businesses, increasing its competitiveness as a comprehensive engineering company, and improving the efficiency of business operations, we seek to further increase our corporate value.

Strengths

- A comprehensive engineering company with advanced technical capabilities in everything from design to fabrication and erection
- We have the engineers and special equipment necessary for taking on highly difficult projects.
- We have earned the solid trust and praise of our customers for our advanced erection technologies and safe construction.

Opportunities

- We strongly promote measures for improving national resilience, including large-scale renovation and disaster countermeasures, by addressing social issues, such as damage to road structures caused by aging.
- We are handling numerous big new bridge projects including large bridges such as continuous cable-stayed bridges used in the western extension of the Wangan (Osaka Bay) Route of the Hanshin Expressway and the No. 2 Kanmon Bridge (suspension bridge).

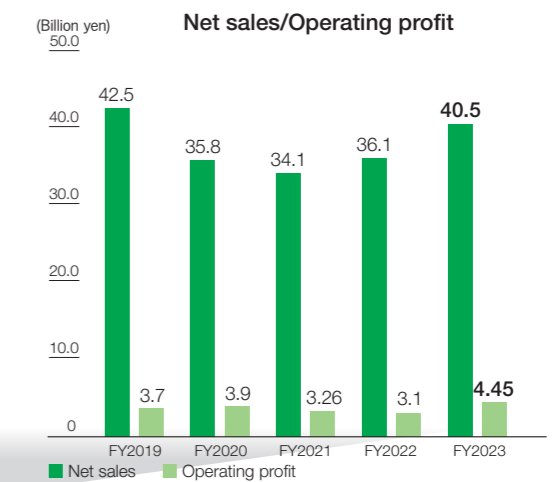
Risks

- Risks of accidents during erection work performed as part of large-scale, high-difficulty construction projects
- Risks of obligation to provide compensation to victims and third parties in the event of an accident, in addition to reconstruction costs
- Risk of impact on business volume if nomination is suspended due to an accident
- Risk of tsunami damage to plants in the Tokyo Bay coastal area if an earthquake occurs

Results for the fiscal year ended March 31, 2024

Orders received were at a record high of ¥45.063 billion (up 15.3% year on year) due to orders received for large-scale construction projects such as the construction project to restore the Fukami Bridge, which was swept away by the torrential rains that flooded the Kuma River (order placed by Ministry of Land, Infrastructure, Transport and Tourism) and the Oroku Highway Bridge (order placed by Okinawa General Bureau).

Net sales were ¥40.581 billion (up 12.4% year on year) due to the steady progress of existing projects such as the new construction of crossing section of Kanjiyo 4 Expressway within Shinagawa Station building, etc. (order placed by Kajima Corporation) and the Suita Junction - Chugoku Expressway Ikeda Interchange Bridge renovation project (order placed by West Nippon Expressway Company Limited). Operating profit was ¥4.452 billion (up 43.8% year on year) due to improved construction profitability resulting from production efficiency.



Future initiatives of our Medium-Term Business Plan

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

Business environment

In the field of large-scale renovation and maintenance-related projects, the revised Act on Special Measures concerning Road Construction and Improvement was established last year, allowing expressway tolls to be used to pay for the renovation of aging expressways and the expansion of expressways to four lanes, and we expect that there will be firm orders in the future.

In the field of new construction-related projects, the business environment has been severe in the short term as orders placed by Ministry of Land, Infrastructure, Transport and Tourism fell more than expected. However, orders for big projects are expected such as world-class cable-stayed bridges used in the western extension of the Wangan (Osaka Bay) Route of the Hanshin Expressway and Shimonoseki-Kitakyushu Road-related project, which will require advanced technical capabilities and construction abilities, both in terms of quality and quantity, and the business environment is one in which we will be able to achieve significant success over the medium- to long-term.

In addition, in the field of railroad-related projects, we earned high trusts from our stakeholders through our track record built over the years and our advanced design and construction capabilities that ensure safety and security. We are currently striving to secure orders with a good balance of large-scale renovation and maintenance-related projects and new construction-related projects.

Initiatives

The pressing issue to keep sustainable development is to secure and develop human resources. As one measure for securing human resources, we increased wages for employees in the current fiscal year, which far exceeded the industry level. This resulted in strengthening of the recruitment of new graduates and improvement of employee motivation, and also worked to improve productivity over the years.

In addition, we promised to return profits to our employees if the business plan values are exceeded in the future, and we will work on mentality reform to raise our employees' commitment to businesses for further increasing productivity.

TOPICS

Promoting technology development and activities for passing on technologies

To be a company that grows sustainably, we are actively developing various technologies and conducting internal training, etc., to pass on technologies for posterity.

- (1) We are developing "new launching equipment" for excellent labor and manpower saving with launching speed and jack operation, to rationalize our launching method.
- (2) We are developing "FRP covering plates" which can be installed by hand as a substitute for temporary pavement during slab replacement construction (patent pending).
- (3) We are developing our emergency footbridges (wire bridge method using FRP covering plates) for the purpose of securing the lives of local residents when existing bridges are washed out by river flooding, etc.
- (4) We have developed our "labor-saving system of on-site marking-off work utilizing ICT" and utilized the system at actual construction (received R5 Technical Paper "Infra DX Award," from Japan Federation of Construction Management Engineers Associations).
- (5) We have acquired patent for our CE high-strength bolts (Consideration of the Environmental issues of High-Strength Bolts) (developed by joint research with Osaka Metropolitan University) and our bolt automatic tightening management system.



▶ Company website

MM BRIDGE CO., LTD.



Masahiro Ikeura
President and Director

Transforming and progressing into a new era by creating new value

MM BRIDGE CO., LTD. has grown thanks to its advanced technical capabilities and extensive experience in the steel bridge and coastal structure business fields. We will continue to leverage our strengths, adopting a growth strategy focused on expanding our efforts on long-span bridges and large-scale, high-difficulty construction projects as we maximize synergy throughout our Group. As we strive to use our management resources in a well-balanced manner, we will achieve the targets of our Medium-Term Business Plan, amid the drastically changing business environment, contributing to the sustained growth of our Group while maximizing our profits.

Business description

MM BRIDGE CO., LTD. is one of the industry's top comprehensive engineering companies that can handle everything from design and manufacture to installation, sale, and repair of steel structures such as bridges. By leveraging its advanced technologies, extensive experience, and long track record, it has been involved in many of Japan's iconic bridge construction projects, such as the construction of the Honshu-Shikoku Bridge. MM BRIDGE CO., LTD. supplies high quality social infrastructure, primarily through its new bridge construction business and maintenance business. It seeks to contribute to safer, more comfortable lives of people in Japan and to create new value that will be passed on to next generations, while making contributions throughout society.

Strengths

- Technical personnel with extensive experience in design, construction planning, and construction management
- Track record and systems for successfully carrying out long-span bridge and large-scale, high-difficulty construction projects
- Ability to take on large-scale projects by leveraging advanced technical capabilities
- Advanced seismic and vibration control technologies, wind resistance technologies that leverage experimental studies and fluid analysis

Opportunities

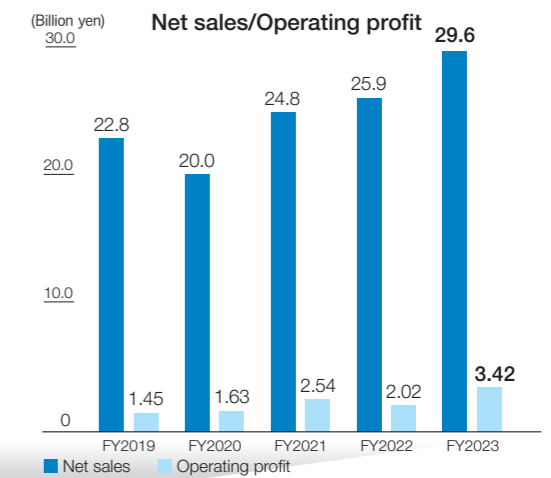
- Realization of large-scale projects such as the western extension of the Wangan (Osaka Bay) Route of the Hanshin Expressway
- Expansion of the maintenance market, including high-difficulty construction projects
- Greater awareness regarding national resilience in the face of increasingly severe natural disasters
- Handling of social requests related to ESG, SDGs, etc.

Risks

- Personnel shortages in the construction industry caused by the shrinking of the working age population as a result of the declining birth rate and the aging of society
- Responding to work style reforms
- Soaring costs such as prices of materials, equipment and labor
- Increasingly intense competition in the maintenance and renovation business segments

Results for the fiscal year ended March 31, 2024

During the fiscal year ended March 31, 2024, we made steady progress on our large-scale renovation projects that we have focused on in recent years (the Suita Junction-Chugoku Expressway Ikeda Interchange Bridge renovation project and the Metropolitan Expressway Route 1 (Haneda Line) construction project) and the expansion constructions to four (six) lanes (the Sasebo Viaduct and the Soma River Bridge). In addition, we promoted constructions based on the highly detailed construction plan in the production of coastal structures, which is one of our specialties. As a result, we recorded ¥29.639 billion in net sales. Furthermore, in these large-scale, high-difficulty construction projects, we maximized the use of our technical capabilities, effectively utilized our engineers and materials and equipment, and promoted cost reduction activities. As a result, we reached the record operating profit of ¥3.426 billion. We will continue to strive to raise our profits by utilizing our technical capabilities as well as raising operational efficiency with ICT, while paying sufficient attention to safety and quality.



Future initiatives of our Medium-Term Business Plan

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

Business environment

In the new bridge construction market, MM BRIDGE CO., LTD. received the order for the western extension of the Wangan (Osaka Bay) Route of the Hanshin Expressway, and the construction of the cable-stayed bridge is ongoing. In addition, a rough draft of the route of the Shimonoseki-Kitakyushu Road has been finalized and a plan of suspension bridge has been initiated. Although the overall market is shrinking in the long term, there are high expectations for orders for a large, specialized types of bridges, which is our specialty.

Furthermore, in the maintenance market, the large-scale expressway renovation project which was commercialized in March 2015 has become a big market. Originally, the project announced by the five expressway companies (the three NEXCO companies, Metropolitan Expressway Co., Ltd, and Hanshin Expressway Company Limited) started for ¥4 trillion as total, and subsequently the project expanded to ¥7.1 trillion as total. Going forward, the project is planned to begin constructions at more difficult sections, which will allow us to make better use of our technology.

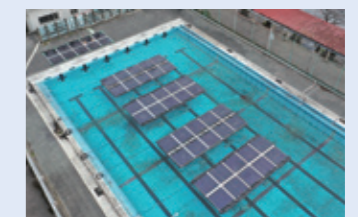
Initiatives

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

TOPICS

Commencement of joint demonstration test of floating-type perovskite solar cells

MM BRIDGE CO., LTD. commenced a joint demonstration test to install floating-type perovskite solar cells with SEKISUI CHEMICAL CO., LTD. and KOEI-D CO., LTD., which is the first demonstration test in Japan. Film-type perovskite solar cells are lightweight and flexible, enabling installation in a variety of locations at various sites where it is difficult to install conventional silicon-based solar cells. To take advantages of such characteristics, floating-type perovskite solar cells have been installed on the surface of a closed school swimming pool in Kita-ku, Tokyo to demonstrate the floating structure, workability, and power generation performance for one year from April 3, 2024. MM BRIDGE CO., LTD. contributed its expertise to this test in the structural design of floating structures and mooring methods expertise with the goal of contributing to a decarbonized society by utilizing various types of water-based assets.



Social Initiatives

Basic Policy

MIYAJI ENGINEERING GROUP believes that addressing social issues is part of our social responsibility as a company (CSR). We promote CSR activities by establishing the Charter of Corporate Behavior and Code of Conduct, which are the Group's common values, ethics, and specific standards of behavior.

Disaster recovery support

Our management philosophy is "Contributing to the enrichment of our nation and the creation of a brighter society through the construction, maintenance, and renovation of societal infrastructure such as bridges, buildings, and coastal structures." By implementing this philosophy, we strive to achieve and maintain sustainable growth as a Group and to live up to our corporate social responsibility to all of our stakeholders, such as our shareholders, investors, other business partners, employees, and communities. In particular, regarding emergency restoration work to repair social infrastructure damaged in a disaster, we have contributed to safety and security of people in Japan through our behind-the-scenes support such as rapid response to disasters leveraging the technical capabilities we have accumulated through the years together with our rich stock of special equipment. When 2024 Noto Peninsula Earthquake

occurred in January 1, 2024, we carried out emergency restoration work to repair bridges that had shifted due to the earthquake. We also contributed to restore the Noto Railway, which resumed full operation on April 6.



TOPICS

Efforts following the earthquake off the coast of Fukushima Prefecture

At 23:36 on March 16, 2022, a magnitude 7.4 earthquake struck off the coast of Fukushima Prefecture. Miyagi Prefecture and Fukushima Prefecture were rocked by strong tremors of up to level 6 on the Japanese seismic intensity scale, leading to significant damage. The Tohoku Shinkansen was derailed during regular service. This was the second such incident since the Joetsu Shinkansen derailment accident caused by the Niigata Chuetsu Earthquake, and had a major impact. The earthquake caused severe damage to the Tohoku Shinkansen viaducts, affecting utility poles and bridge piers. Quickly restoring the Shinkansen, a lifeline of Japan's economy, was our top priority. MIYAJI ENGINEERING CO., LTD., which is known for safe and secure railroad-related bridge construction techniques and highly trusted by stakeholders, dispatched its teams to several sites immediately after the disaster. They coordinated closely with all the relevant stakeholders to assess the situation and plan solutions. Using special equipment and advanced skills, they worked tirelessly with partner companies to restore functionality of the viaducts as soon as possible. As a result, full operations of the Tohoku Shinkansen resumed on April 8, 2022.



Looking back at disaster recovery work after the earthquake off the coast of Fukushima Prefecture

Tomohiro Mitamura

Bridge Construction Group, Bridge Construction Department, Construction Division
MIYAJI ENGINEERING CO., LTD.

When the disaster struck, I was working at a site I'd been assigned to in Shibuya. I was quickly called back to Head Office and then sent to the affected area. The Shinkansen is a lifeline for Japan's economy, so I felt that restoring it quickly was a critical mission for us. We quickly got down to work as soon as we arrived at the site. The ground was muddy, which made continuous work challenging, and our focus wavered at times, but we maintained careful attention to each task, and by supporting each other we managed to safely overcome the difficulties. I have worked on disaster recovery efforts in the past, and I believe that not just during regular projects but especially during crises, our company's skills and teamwork are being tested to show their true value. With renewed commitment to contributing to society, we will continue to learn every day.



TOPICS

Efforts following the Typhoon Hagibis in 2019

- In just seven months, we helped finish a project that would normally take more than two years -

On October 12, 2019, a powerful Typhoon Hagibis hit the Kanto region. The P5 pier of the Hino Bridge, located between Tachikawa City and Hino City in Tokyo, sank, making the bridge impassable. The Hino Bridge crosses the Tamagawa River on the Tokyo Prefectural Route 256 of the Hachioji-Kunitachi Line (Koshu-kaido Road). It was a vital bridge for local residents, used by about 13,000 vehicles every 12 hours, and quick repairs were needed. Normally, the detailed design, fabrication, and erection would take over two years. But the site was located within the Tamagawa River, a Class A river under Japan's system for classifying rivers, and construction had to be done during the dry season from November to May. This meant that we had to complete the work in just six months, making it an extremely challenging project. MM BRIDGE CO., LTD. handled the detailed design, fabrication, and erection for the project. They worked closely with all relevant departments, sharing knowledge to enable quick construction. They also collaborated with the Tokyo Metropolitan Government Minami Tama Construction Office, which manages the bridge and was the client of the project, and worked with full efforts to ensure swift restoration of the bridge. As a result, the bridge reopened to traffic on May 12, 2020, just seven months after the disaster.



Efforts for BCP

Our Group's goal is to contribute to safety and security of people in Japan through the construction, maintenance, and renovation of societal infrastructure. In emergencies like natural disasters, we work to minimize damage, continue and restore operations, and restore societal infrastructure quickly. All our major offices have their own business continuity plans, reported them to the responsible Regional Development Bureau of Ministry of Land, Infrastructure, Transport and Tourism, and received business continuity certifications for these plans. Below are the main business sites of the Group that have received certifications.

<MIYAJI ENGINEERING CO., LTD.>

- Head Office (Chuo-ku, Tokyo: Under the jurisdiction of the Kanto Regional Development Bureau)
- Chiba Works (Ichihara-shi, Chiba: Under the jurisdiction of the Kanto Regional Development Bureau)
- Kansai Branch (Osaka-shi, Osaka: Under the jurisdiction of the Kinki Regional Development Bureau)

<MM BRIDGE CO., LTD.>

- Head Office (Hiroshima-shi, Hiroshima: Under the jurisdiction of the Chugoku Regional Development Bureau)

Local site and plant tours

MEG has conducted various tours of construction sites and plants for many visitors, including members of the local community, in order to foster a greater understanding of the importance of public works and why they are essential for the sustained growth of society. We will continue to actively create opportunities such as these for interacting and strengthening our ties with the community as part of our social contribution efforts.



Occupational Health and Safety Initiatives

Basic Policy

In our line of work, which involves handling large parts both at plants and on-site, accidents are far from unknown. MIYAJI ENGINEERING GROUP, based on the principle of respect for human life and safety, believes that safety is a priority above all else. We strive to prevent every kind of disaster from occurring. We also strive to maintain and improve the health of each employee so that we can transform and progress toward becoming a sustainable company.

Thorough construction safety

The Group has set KPIs of zero workplace fatality and zero lost-worktime injuries requiring more than 4 days of leave each year. However, in FY2023, a tragic accident at a construction site resulted in the loss of one life. Regarding lost-worktime injuries requiring more than 4 days of leave, we also recorded two accidents at plants and

three accidents at construction sites. We see this as a critical issue for the survival of our business, and have taken the following steps to boost safety awareness among all employees at our plants and construction sites. We will continue to place safety and the protection of human life first, based on our policy of prioritizing safety above all.

MEC Chiba Works and MMB Ichihara Works

In addition to safety patrols by plant managers (general manager level and above), we also conducted safety patrols by technical supervisors and worksite supervisors familiar with on-site work, in order to ensure thorough safety awareness among workers. We also improved awareness by having safety group members with expert knowledge in safety join hazard prediction activities held at each workplace. During FY2024, we will install surveillance cameras in our plants to maintain and enhance workplace safety and further improve safety during our work.



MEC construction sites

In order to boost safety awareness among not only our own employees, but also employees of our partner companies, we issued a State of Emergency Declaration for Frequent Occupational Accidents, and held a company-wide emergency safety meeting. We also had our executives conduct emergency safety patrols across all worksite locations.



MMB construction sites

To strengthen our safety management system, we newly appointed an officer in charge of safety and a safety manager with an industrial safety consultant qualification. We also set up a new Safety Team of Construction Department, and sought to make safety training at construction sites more directly relevant for teams on the ground. This involved holding group discussions tailored to each site's work, after which participants took part in safety exercises like CPR and VR experiences. In addition, we have established a system where safety group members, who are safety experts, join on-site work procedure meetings.



Lost-worktime accident frequency rate
Results over the past 3 years by fiscal year

	MIYAJI ENGINEERING GROUP					
	Plants			Construction sites		
	Frequency rate	Number of Lost-worktime accidents	Total work hours (1 million hours)	Frequency rate	Number of Lost-worktime accidents	Total work hours (1 million hours)
FY2021	0.00	0	0.738	0.00	0	0.857
FY2022	6.35	5	0.787	1.59	2	1.255
FY2023	2.64	2	0.758	1.97	3	1.522

Awareness-raising and thorough implementation of health and safety education

The Group places safety and the protection of human life first, prioritizing safety above all. To thoroughly establish this philosophy, we conduct group education, formulate and implement education plans for individual plants and worksites, and perform confirmation and guidance through our Safety Management Division. To ensure thorough implementation of health and safety education, we set a KPI of "Implementation rate of monthly safety training at plants and worksites: 100%," and have continuously achieved this 100% target in FY2023. To ensure thorough implementation of health and safety education for partner companies,

we set an additional KPI of "Implementation rate of annual safety training for executives of partner companies: 100%," and conducting this safety training during Disaster Prevention Association meetings with the executives of partner companies. In FY2023, we have continuously achieved this 100% target. As for the number of times safety training is provided to executives of partner companies, we will also conduct these trainings at the newly formed Kyueikai, as an effort to enhance health and safety education.



General Meeting of MEG Disaster Prevention Association (Plant) MEC Disaster Prevention Association MMB Health and Safety Convention

Improving safety awareness through training

The Group promotes information-sharing and education for employees, regarding the importance of work-hour management and health management. We thoroughly manage overtime in accordance with Article 36 of the Labor Standards Act in Japan, and we promote healthcare for employees with high overtime hours through consultations with occupational health physicians, etc. We set these initiatives as our key management issues, and are working on them by setting the following KPIs. In FY2023, some construction sites could not implement the 4

weeks-8 days off schedule as weather and scheduling conflicts with related parties made it hard to adjust work times freely. As a result, the implementation rate of the 4 weeks-8 days off was 89.5%, which fell short of the 100% target. However, we met all other targets, thanks to the efforts of everyone involved. Fully implementing the 4 weeks-8 days off schedule is essential for a healthy workplace, so in FY2024, all stakeholders will work together, aiming to achieve a 100% implementation rate.

Item	KPIs	FY2023 results
Compliance with the Article 36 of the Labor Standards Act in Japan	Violation of Article 36 of the Labor Standards Act in Japan: 0/year	0
Recommendations of consultation with occupational health physicians to employees with high overtime hours	Implementation rate of guidance about consultation with occupational health physicians to employees with high overtime hours (45 hours or more/month): 100%	100%
Implementation of 4 weeks-8 days off	Implementation rate of 4 weeks-8 days off: 100% [annual total]	89.5%
Implementation of consultation with occupational health physicians to employees with high overtime hours	Implementation rate of consultation with occupational health physicians to employees with high overtime hours (80 hours or more/month): 100%	100%

Quality Initiatives

Basic Policy

MIYAJI ENGINEERING GROUP's products serve as important social infrastructure that is used by many people over a long time. Ensuring quality is an absolute condition for their safe and reliable use.

To provide safe and secure infrastructure that many people can use, we always strive to maintain and improve the high quality of our products.

Quality maintenance and improvement

The services we provide can be broadly divided into two categories: fabrication, which is performed in a plant, and engineering, which is performed on a construction site. Fabrication enables products to be precisely manufactured and processed in an optimized space. With engineering, construction and erection are carried out based on limited coordinates and objective measurements according to each site. These situations are naturally different in terms of the precision of quality management that can be achieved. Different quality management standards are therefore applied in the common specifications for civil

engineering works, etc., as set by the customer. To meet these quality management standards and stand out from our competitors, we set KPIs for quality maintenance and improvement at average construction grades of 83 or above (each fiscal year), and working hard each day. This target is strict, as the construction grades includes factors beyond quality. In FY2023, even excluding projects with accidents, the average score was 81.45, below the target. We will continue to focus on maintaining and improving quality to achieve our goals.

Quality management efforts

Welding, which is commonly used to join steel structure parts, has various types such as full penetration welding and fillet welding. For full penetration welding, we use ultrasonic inspection to check the internal quality of the weld. We calculate and analyze the ultrasonic inspection pass rates for each type of steel structure and each welder. We use this data to improve structure and construction methods and to ensure that we give welders the right assignments for their skill levels, thereby working to enhance the internal quality of welds. We have also established an award program for top-performing welders, to boost motivation among employees working to improve their welding skills.



Indicators and results

The Group puts in place the following quality management activity policies and priority measures each year for fabrication and engineering. We work to reduce non-conformities and thoroughly implement measures to prevent recurrence as we continuously strive to provide safe and secure services.

Plants

(1) Activity policy

We will promote digital transformation, improve productivity and operational efficiency, and ensure compliance. We will work to eliminate non-conformity goods and maintain a safe and secure work environment.

(2) Priority measures

1. Managing issuing of design documents that satisfy requirements for quality and process
2. Sharing risk information on deficiencies and claims and horizontally developing countermeasures
3. Deepening communication to ensure thorough risk management (avoidance/reduction)
4. Ensuring thorough human resource development and compliance education

(3) Quality management slogan

"Quality is an accumulation. Work with sincerity every day!"

On-site

(1) Activity policy

We aim to achieve reliable quality by strengthening the operation of our quality management system and promoting the use of ICT.

(2) Priority measures

1. Ensuring thorough measures to prevent recurrence of serious deficiencies and claims
2. Ensuring thorough process management
3. Strengthening customer rating point improvement activities

(3) Quality management slogan

"Quality is an accumulation. Work with sincerity every day!"

People Initiatives

Human Resources Policy

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

Specific measures

Promoting diversity

The Group recognizes that the sustainable development of companies requires the active involvement of people from a variety of backgrounds. The Group has long worked to set measurable targets related to the promotion of personnel with attributes set forth in Japan's Corporate Governance Code. We have also made revisions to avoid taking an excessively results-focused approach in order to ensure that we can respond to changes in the business environment flexibly. In our approach, all employees are evaluated based on common standards (commitment to businesses and, in the case of management personnel, management capabilities). We have defined a Charter of Corporate Behavior and a Code of Conduct to serve as guideposts, and we maintain environments in which all employees, including women, non-Japanese employees, and mid-career hires, can reach their full potential. In particular, we believe that the active participation of women and foreigners is an issue that must be strongly promoted in the construction industry. We are actively hiring women not only for administrative positions but also engineer and operator positions, developing them into our workforce. We are also actively hiring foreign employees because we believe that bringing the sensibility of different cultures into the company provides major benefits in terms of energizing the company and transforming the mentalities of people within it.



(1) Efforts to acquire and maintain two-star Eruboshi certification

The Eruboshi certification recognizes companies that excel in promoting women's advancement in line with the Act on the Promotion of Women's Active Engagement in Professional Life. Companies receive this certification by meeting standards in five areas: hiring; continuous employment; working hours and styles; ratio of management positions held by women; and diverse career paths. In the construction industry where there are few women, the Group aims to acquire and maintain two-star Eruboshi certification. Through this effort, we aim to support the active participation of women, and strive for sustainable growth by embracing diverse viewpoints. MIYAJI ENGINEERING CO., LTD. acquired two-star Eruboshi certification in FY2022.

(2) Efforts to acquire Kurumin certification

The Kurumin certification is a system where companies can be recognized (by receiving Kurumin mark) as "childcare support companies" by the Minister of Health, Labour and Welfare. To qualify, each company must create a plan to improve their work environment and meet certain requirements such as achieving the set goals of the plan. We are taking concrete steps to acquire the Kurumin certification soon, such as by increasing support for employees with children by promoting childcare leave system and introducing reduced working time system.

Systematic human resource hiring initiatives

For both the hiring of new graduates and mid-career hiring, every year the Group systematically carries out hiring activities focusing on a variety of attributes of the human resources we require. At the same time, we are working to improve retention rates for junior employees, which has become an issue in modern society, by improving employee satisfaction. Through these, we are striving to secure the human resources essential to our sustainable growth as a whole Group. Specifically, we are providing a wide range of possible work styles, such as moving from general or operator positions to career track positions. This is enabling us to open our gates to exceptional human resources and preventing attrition due to mismatches between the duties and capabilities of junior employees. As part of our efforts at developing the human resources for the future, we are also engaged in initiatives such as creating a scholarship system for graduate students.



People Initiatives

Initiatives for developing the human resources that will lead the future

Strengthening our corporate management capabilities is one of the important tasks we must accomplish to achieve sustainable growth. The Group has defined common evaluation standards for those in managerial positions, and it uses reports submitted by management to confirm and keep track of the status of initiatives and measures for taking on critical issues. Group companies appropriately evaluate the

capabilities of individuals and enrich their systems for providing employees with positions that match their capabilities. They also carry out multi-year outside management training for managers of a certain level. Through these measures, we are working to develop excellent personnel who demonstrate their leadership with a birds-eye perspective of business.

Initiatives for passing on technologies, skills, and corporate culture

Passing on technologies, skills, and corporate culture to future generations is a critical challenge for the construction industry, where many veteran employees with extensive and valuable experience and knowledge are growing older. Our Group companies have created educational curricula, including new employee training and mid-career

employee training, and they are providing support for certification acquisition and using on-the-job training, led by veteran employees, to maintain and improve these technologies, skills, and corporate culture, and to pass them on to future generations. Below are some of the specific activities we are carrying out.

(1) Official certification acquisition incentive system

In order to promote the acquisition of certifications such as the First-Class Civil Engineering Works Execution Managing Engineer and Professional Engineer, our Group companies assist with certification testing fees and certification courses. They also pay incentive bonuses for those who receive certifications.

(2) Setting specific ability criteria

Our Group companies define the specific techniques and skills that employees need, based on the functions of each division. They have established education and training policies, primarily focused on individualized on-the-job training based on these technique and skill requirements, and they carry out human resource development activities in line with these policies.

(3) Doctoral degree acquisition incentive system

The Group also has university overseas study programs and support programs for employees wishing to obtain doctoral degrees.

Giving back to our employees

As our human resources are the source of the Group's added value, enhancing investments in and returning profits to our human resources are crucial for the Group's sustainable growth. On August 9, 2023, we announced a review of our shareholder return policy in our disclosure,

"Action to Implement Management that is Conscious of Cost of Capital and Stock Price." In FY2023, we also rewarded our employees, who helped us through tough times and supported our strong performance.

(1) MIYAJI ENGINEERING GROUP 20th anniversary special payment

In September 2023, the Group celebrated the 115th anniversary of its founding and the 20th anniversary of its establishment. To mark this, we gave a 200,000-yen special payment to all employees.

(2) Payment of a year-end bonus

Based on strong results in FY2023, we paid bonuses to all our employees, who supported this performance. In addition to the summer and winter bonuses, we also provided a year-end bonus to support their households.

(3) Increasing base pay

In April 2024, we raised wages significantly above the national consumer price index increase of around 3% for FY2023 average.

TOPICS

Efforts to balance work and family through Work Style Reform

- Balancing career and private life -

**Takayuki Fumoto**

Planning Group, Construction Planning Department, Kansai Branch
MIYAJI ENGINEERING CO., LTD.

I work in the Planning Group, Construction Planning Department of the Kansai Branch, mainly handling construction planning for private-sector projects. I have a five year-old daughter who is in daycare. Until last year, we rarely had dinner together on weekdays due to my work. Often, when I got home late, she was already asleep. From this fiscal year, the company has fully rolled out activities for promoting a healthy workplace. Every Wednesday is now a no-overtime day when employees are required to leave work on time. At first, I was worried where I would be able to finish work on time each day. But stricter enforcement of regular hours pushed me to manage time better, improving work discipline. Also, by leaving work on time every Wednesday, I can now pick up my daughter from daycare. After returning home, we eat dinner together, and after dinner, we have time to read picture books or play cards. Thanks to the strong push for a promotion of healthy workplace, every Wednesday I can spend precious time with my young daughter. I want to continue balancing work and family while contributing to the company.

Creating workplace environments that produce innovation

Improving workplace environments, including workplace systems, is important for increasing employee engagement. The Group has established various systems to ensure that all employees, regardless

of gender, can lead fulfilling work and private lives. We are also striving to create pleasant workplace environments. Below are some of the specific activities we are carrying out.

(1) Reducing overtime through Work Style Reform

To manage both the mental and physical wellness of our employees, our Group companies have designated Wednesdays as "no overtime days." They are also using DX to improve operational efficiency. Through these initiatives, they are promoting reductions in overtime hours and creating environments in which employees enjoy a good balance of work and private lives.

(3) Preparation of nursing care-related systems

Our Group companies have created nursing care leave systems that allow employees to take leave for a period of time if close relatives require nursing care. They have also created systems that allows employees who have to provide nursing care to resign and be rehired at a later date, and nursing care working systems which enable reduced working time of four hours per day. By creating diverse support systems such as these, we are working to accommodate the needs of various employees.

(2) Preparation of childcare leave systems

Our Group companies have set up childcare leave systems with children under three years of age, and childcare working systems, which enable reduced working time of four hours per day, for employees whose children are under junior high school age. Through these systems, which can be used by all employees, regardless of gender, we are actively supporting the nurturing of future generations and work-life balance.

(4) Workplace environment improvements

Our Group companies are striving to maintain and improve the comfort of workplace environments, such as by expanding work spaces or moving to new sites to accommodate increases in the number of employees as appropriate, and by updating equipment and facilities.

TOPICS

Efforts to enhance childcare support

The Group is improving leave system and reduced working time system for childcare. At the end of the fiscal year, we also provide additional financial support to families with children, along with household assistance payments, aiming to create an environment where young families can raise children more easily.

**Tadashi Sato**

General Affairs Group, General Affairs and Human Resources Department, General Affairs and Human Resource Division
MIYAJI ENGINEERING CO., LTD.

I took about a month and a half of childcare leave when our second child, our eldest son, was born. Later, I took another month when my wife returned to work after her childcare leave.

Three years ago, when our eldest daughter was born, I didn't take childcare leave, and my wife, who did take leave, mainly cared for our child. In my spare time when I was off work, I did what I could to help my wife with household chores and childrearing. So I thought I was doing my part. But taking childcare leave and spending all day on childcare and housework showed me firsthand how challenging it is to care for a child.

Nowadays, more and more households have both partners working, and it is normal for women to keep working after having children. I think men must not assume that childcare is mainly a wife's job, but they should share housework and childcare equally with women.

With support and understanding from my company and colleagues, I was able to spend valuable time with my child. I am really grateful for that.

**Miyako Futama**

Personnel Group, General Affairs Department
MM BRIDGE CO., LTD.

A few years ago, I got married and moved to my husband's hometown in another prefecture, so I had to resign. After having a child, I focused on childcare but always wanted to return to work. During that time, my family and I moved back to my hometown of Hiroshima, and I was able to return to work using the Return-to-Work Program. This system helps employees who resigned because of life events like marriage or childcare to return to the company. It was truly a ray of hope for me.

When returning to work, I worried about how I'd balance childcare and my job, and how I'd fit in again after the gap. But the company's strong support system and my colleagues' warm help made the transition smooth. Now I balance childcare and work by using reduced working time system for childcare and remote work. These systems make it easier to manage daycare drop-off and pickup and to take care of my child when my child is sick. It also gives me more time with my child, creating a better balance between work and family. It's such a joy to be able to watch my child grow and rebuild my career at the same time. My colleagues understand and support me and that is how I am able to balance work and childcare with peace of mind. Balancing childcare and work is challenging, but I will keep working efficiently and do all I can to improve my work and contribute to the company.

Outside Director

Roundtable
Discussion

Young and mid-career
employees of MEC

By respecting each employee's individuality in an open corporate culture, we will further strengthen our human capital—the driving force behind our sustainable growth



Pride and responsibility in building social infrastructure

Hirase: I began my career as a professional golfer in 1988, competing in both domestic and international tours. After pausing for a while and experiencing childbirth and childcare, I returned to work in the golf industry, including as a TV commentator. I joined MIYAJI ENGINEERING GROUP as an Outside Director in June 2023. At Board meetings, I focus on human capital issues, such as supporting women's advancement and developing comfortable workplaces, always aiming to provide a universal perspective. I have been looking forward to hearing candid opinions today from our young and mid-career employees.

Tsugui: I work in railway sales at the Kansai Branch. I serve both the sales department and the operations group, mainly assisting the sales

department with various arrangements and administrative tasks. I feel a sense of fate about joining a company that provides public infrastructure in 1995, the year of the Great Hanshin-Awaji Earthquake. When I returned to work from maternity leave, the branch president said, "Just having you here improves our efficiency." Those words still motivate me today.

Yamada: I work in the General Affairs and Human Resources Department at MIYAJI ENGINEERING CO., LTD., also handling general affairs for the holding company (MIYAJI ENGINEERING GROUP). I joined the company in April 2022, so this April marked my third year. In human resources, I handle recruitment for employees joining in April 2025. I am also in charge of the summer internship program for future recruits. In the limited time I have, I communicate as much as I can about what makes our company great. It is so rewarding

when that leads to recruitment—that is the real joy of the job.

Lang: I work in the Bridge Design and Development Section 2 at the Kansai Branch. I come from China. Ten years ago, I quit my job back home to study in Japan. In 2021, I earned a Ph.D. in Engineering, after studying at Department of Urban Design and Engineering in Graduate School of Osaka City University (currently Osaka Metropolitan University). I am now in my fourth year at MIYAJI ENGINEERING CO., LTD., and I work on bridge projects in western Japan, focusing on widening highways and reinforcement designing of existing bridge piers. The best thing about my job is that it is a work that leaves its mark on the map. I can tell my four-year-old daughter, "Daddy designed this bridge." That motivates me in my work from day to day.

Nagao: I joined MIYAJI ENGINEERING CO., LTD. in 2017 and now work in design at the Chiba Works. I majored in geology at university but was hired as a civil and architectural engineer. For me, the most rewarding part of the job is the thrill of seeing a completed bridge. Seeing an image I designed on a display take shape in reality always surprises me. That feeling may be what keeps me going.

On-site capabilities backed by advanced skills and creativity driven by cutting-edge technology

Hirase: Hearing everyone's stories, I can picture you all working with joy and enthusiasm. As a management member, I am relieved to see how the company provides opportunities for young and mid-career employees and supports their daily efforts. What do you see as MIYAJI ENGINEERING's strengths and competitive advantages?

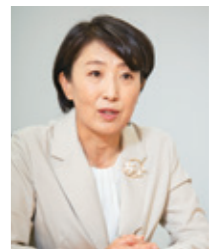
Lang: One strength is that the company actively invests in its people. These efforts go beyond employee-focused initiatives like talent development and promoting diversity. The company has established and runs a scholarship program for graduate students to foster innovative talent for society. As someone who has studied abroad and in graduate school, I highly value the company's management approach.

Yamada: I do not work in a technical field, but I have opportunities to meet people outside the company in my work and I often hear people say, "Your company's technology is outstanding." The technology development departments at Head Office creates innovative construction methods, products, and systems. In addition, the craftsmen at our partner companies bring advanced technology and skills to the field. I believe this contributes to society's trust in our company.

Tsugui: I am also proud that our company possesses such outstanding technology and skills. NHK's TV program "Project X" previously featured our Managing Director, Mr. Takeyama, who led the construction of Tokyo Tower. That was another example highlighting our strong technical development capabilities. Like Mr. Lang, when I am on a family trip and cross a bridge, I will say, "Your mom and dad's company built this," boasting as if I built it myself.

Good communication among employees stems from a culture that values people

Hirase: Hearing from you all, it is clear that MIYAJI ENGINEERING has exceptional technical development capabilities. That is a key advantage over competitors and a source of pride for employees. Next, please share your honest impressions and evaluations of the Group's organizational climate and culture.



Mayumi Hirase
Outside Director

MEC employees



Yuka Tsugui
Railway and Steel Structures
Sales Department
Kansai Branch



Lang Yu
Bridge Design and Development
Section 2 Kansai Branch



Hayuru Yamada
General Affairs and Human
Resources Department,
General Affairs and Human
Resource Division



Chika Nagao
Bridge Design and
Development Department,
Engineering and Development
Division



Outside Director

Roundtable
DiscussionYoung and mid-career
employees of MEC

Tsugui: I think the close ties between management and staff are what give the company its open corporate culture. For example, this year when President Aota of MIYAJI ENGINEERING GROUP visited the Kansai Branch, I had the chance to speak with him directly. A friend who works at another company told me their president and regular employees never mingle. At our company, you can have frank discussions with top management. It feels like a relatively flat organization with good communication.

Nagao: The atmosphere varies between the Head Office, Kansai Branch, and Chiba Works. The Bridge Design and Development Department at Chiba Works, where I work, feels lively, partly because we have so many young employees. Supervisors appreciate the young employees' initiative and give them careful guidance when they encounter challenges. The atmosphere might be a bit more relaxed than at Head Office.

Tsugui: The average age in the sales department of our Kansai Branch, where I work, is nearly 50. So I envy Ms. Nagao's situation. That said, I feel that an open culture and a welcoming atmosphere are common across all our locations and departments. Our culture values people. I currently work in the same department as my husband, and marriages between coworkers are common in the company. I take that as a sign of a healthy corporate culture with good communication among employees. Although the term is outdated, there is a lively "drinking culture." That could be one reason for the strong bonds among employees.

Yamada: MIYAJI ENGINEERING has a deeply rooted culture of valuing and nurturing people. Male employees can take childcare leave, and like Ms. Tsugui, women are not expected to resign if they marry a coworker. There is no discrimination based on gender or beliefs. The company respected diversity long before

the term became popular. I believe this has helped create our inclusive, supportive workplace and culture.

Hirase: Our corporate culture respects diversity, and this culture is shared not only in each workplace but also firmly among management. MIYAJI ENGINEERING GROUP ensures management transparency through measures like appointing a majority of Outside Directors. At Board of Directors meetings, all members freely express their opinions, leading to lively discussions. Hearing opinions and suggestions from Directors with various specialties has deepened my understanding of the company's current state and future vision. It has also strengthened my desire to contribute to the company's growth.

Prioritizing safety above all— Upholding a business policy that respects human life

Lang: Earlier, we talked about having a free and open corporate culture. But we are also deeply committed to occupational health and safety, which is fundamental in the construction industry. When I developed test plans for on-site measurements in design work, I paid meticulous attention to ensure worker safety. Our top priority is the safety of our own employees and those of partner companies, as well as the safety of people in the communities where our projects take place. Our strict commitment to safety and security reflects another side of our corporate culture.

Yamada: Some of the more seasoned workers take pride in having worked accident-free for many years, relying solely on their experience and intuition. Honestly, it is difficult for young employees like us to conduct safety training for these individuals on-site. But as labor safety regulations and rules become stricter, it is crucial to emphasize that ensuring safety is fundamental to our business, and all employees must commit fully to following these rules to maintain a safe and secure environment.

Tsugui: It is also important to respond effectively when accidents or issues arise. People involved in accidents or issues tend to think minor problems do not need to be reported to clients. But to ensure occupational safety, all accidents and disasters must be reported promptly to the relevant parties. Once we understand the situation, we identify the cause, plan, communicate, and implement measures to prevent recurrence. I believe that a commitment to safety and security underpins the sustainability of industrial society and people's lives.

Unlocking employees' potential through strategic department transfers

Hirase: I already knew MIYAJI ENGINEERING GROUP to be a company that values people, but it was reassuring to hear from our young and mid-career employees that the rules and policies to protect lives are being strictly enforced. Please share your honest thoughts on the Group's efforts to develop the next generation of talent and strengthen human capital.

Lang: I recently read a survey report online that said employees who have never changed positions experience a visible decline in motivation for personal growth as their years of service increase. Their eagerness to study new fields fades, along with their interest in career development. Specialization is important for employees, but gaining broad experience across departments and divisions also empowers them to make greater contributions. Strategic department transfers that consider each employee's abilities and personality will further strengthen MIYAJI ENGINEERING's workforce.

Nagao: In design departments, we focus on passing down skills and technology as part of our human resource development efforts. Every week, on a fixed day, an employee who used to work at design departments gives a one-hour lecture for younger staff. Study groups are also being held from time to time, to help employees obtain qualifications beneficial for design work. We are grateful for the many opportunities provided to employees to improve their skills and achieve self-realization.

Each team member has a role in driving the growth of MIYAJI ENGINEERING

Hirase: As a professional golfer, I have met people of many nationalities as I traveled around the world. Thereby, I have learned the importance of striving toward goals, and that growth is shaped not only by players' own efforts, but also by opportunities provided by those around them. Based on the feedback shared today, we will continue to focus on developing and supporting our people—the greatest asset of MIYAJI ENGINEERING GROUP. Finally, please share your aspirations for the future in a few words.

Tsugui: In my department, the aging is so advanced that I am still seen as a junior. The construction industry is facing urgent challenges

in hiring and labor shortages. To secure new graduates and young talent that will bring in a fresh breeze into the company and organization, I want to work hard on my job to help improve the appeal of MIYAJI ENGINEERING.

Yamada: As someone working in human resources, I found Ms. Tsugui's words really encouraging. I joined the company in 2022, so unlike senior executives and colleagues who have been here a long time, it is crucial for me that MEC (MIYAJI ENGINEERING CO., LTD.) and MEG (MIYAJI ENGINEERING GROUP) continue for the next 40 to 50 years. To achieve this, we must discover and develop talented individuals who will lead the next generation and the one after that. I want to stay focused on the Group's future vision as I work hard in human resources and general affairs.



Lang: I aim to set a new standard for bridge design at MIYAJI ENGINEERING. I want to rethink the ideal form of bridges in the Reiwa era with fresh, innovative thinking and create the "bridges of the future." That is why I plan to focus on digital transformation, such as developing AI-based automated design systems and optimizing construction planning.

Nagao: The design departments have a somewhat skewed age distribution, with many employees either in their 50s and above or in their 20s. Bridges are the result of a wide range of technologies, insights, and expertise. I see it as my role is to inherit the outstanding skills and techniques of my seniors who will soon retire, and pass them on to the next generation. With Director Hirase and everyone present today, I am willing to work hard to contribute in any way I can to the growth of MIYAJI ENGINEERING.

Supply Chain Management

Basic Policy

Manufacturing and erecting high-difficulty bridges requires several key elements: plant facilities and manufacturing capabilities to manufacture large blocks; specialized equipment and bridge erection planning capabilities; site management skills; and partner companies with extensive experience and technical expertise. We have numerous track record in high-difficulty construction projects such as Tokyo Tower, Edobashi Junction, and several Honshu-Shikoku bridges, including the Akashi-Kaikyo Bridge. More recently, we worked on the Kesenuma Bay Crossing Bridge. None of this would have been possible without our partner companies. The Group will continue to value its ties with partner companies, and work to achieve sustainable growth as a company that thrives and grows along with its partner companies.

Launch of the Kyueikai organization

On October 1, 2023, the Group held a commemorative ceremony to celebrate the 115th anniversary of the Group's founding and the 20th anniversary of its establishment. Four members, stated below, attended the ceremony as leaders of MIYAJI ENGINEERING CO., LTD.'s Disaster Prevention Association and MM BRIDGE CO., LTD.'s Health, Safety, and Quality Council. They initiated a new organization called "Kyueikai," whose name takes characters from the name of our founder Eijiro Miyaji. With the concept of "thrive and grow together," the Group and its partners in this organization aim to share not just safety and quality efforts but also sustainability initiatives of the Group, under the theme of "thrive with MIYAJI." The Group will support this initiative, joining as advisors and directors, and serving as the secretariat. On September 30, 2024, we will hold the founding meeting of Kyueikai, a gathering that will bring together all member companies.



It expresses the strong bond between MIYAJI ENGINEERING GROUP, Kyueikai, and all stakeholders as they thrive and grow together, guided by the concept of "sambo yoshi" ("Good in three ways" — good for the seller, good for the buyer, and good for society). The logo includes elements of traditional family crests and emblems, symbolizing trust and tradition. The use of the character "Kyu" (also read as "Miya") from MIYAJI ENGINEERING GROUP in the design shows unity and collaboration across the entire Group.

Founding members of Kyueikai

Shinsuke Kurosaki, President and Representative Director, Kurosaki Build Co., Ltd. (Chairman of Kyueikai)
Hiroyuki Ueda, President and Director, Ueda Construction Co., Ltd. (Vice Chairman of Kyueikai)
Masatoshi Uchimiya, President, Uchimiya Transportation and Engineering Co., Ltd. (Vice Chairman of Kyueikai)
Shinya Watanabe, Representative Director, Watanabe Tekko Co., Ltd. (Vice Chairman of Kyueikai)



Shinsuke Kurosaki

Chairman of Kyueikai
President and Representative Director
Kurosaki Build Co., Ltd.

Last year, on October 1, I attended the commemorative ceremony celebrating the 115th anniversary of the Group's founding and the 20th anniversary of its establishment. I was moved by MEG's strong commitment to sustainable management, formed over its long history. As a member of a partner company, I wanted to contribute, and four of us who attended the ceremony, including Mr. Ueda, began discussions at the end of last year. Eventually, the four of us became the founding members of Kyueikai. This new organization not only works to strengthen safety and quality efforts, which are vital for business continuity, but also aligns efforts to promote sustainability at MEG, so that partner companies will be able to unite to support these activities together.

This fiscal year, the new organization will start full-fledged activities, with the support of MEG, which supports the mission of extending Group values to partner companies and sharing more than just safety and quality. I hope that every company in Kyueikai will contribute to the growth of this organization, helping to build a better society and community, and contribute to society.

Activities of Kyueikai

Kyueikai was established with the aim to share not just safety and quality efforts but also sustainability initiatives, etc. of the Group. Its committee, including a chairman, vice chairmen, 11 members from 11 companies serving as secretaries and a secretariat, will discuss and decide specific activities. We plan to use the Kyueikai General Meeting to educate leaders of partner companies on thorough construction safety and transaction transparency, as defined in our materiality.

In the construction industry, it is comparatively hard to hire both fresh graduates and experienced professionals. This challenge affects not only the Group but also our partner companies. We will tackle the various challenges faced by our partner companies, promote sustainable management as a company that thrives and grows together, and strive to increase corporate value.

Environmental Initiatives

Basic Policy

MIYAJI ENGINEERING GROUP has set environmental preservation as a behavioral standard in its Charter of Corporate Behavior and Code of Conduct. The Group promotes environmentally friendly business activities as well as the disclosure of climate-related financial information.

Environmental initiatives

The Group works to reduce waste generated at its plants and construction sites. The Group carries out its business activities with due consideration for recycling and proper disposal, particularly with regard to construction by-products. In addition, the Group aims to reduce the environmental impact of all of its business activities, working to conserve resources and energy. The Group makes every effort to protect the global

environment and prevent global warming.

The Group sees both new bridge construction business that contributes to social infrastructure creation and bridge maintenance and repair business that cares for aging infrastructure as contribution in achieving an environmentally friendly society, and is actively expanding its efforts in these areas.

Initiatives to reduce our environmental impact

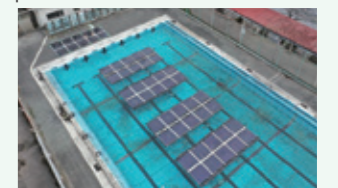
Solar power generation

As part of its efforts to combat climate change, the Group is using the site of the former Matsumoto Works to operate a solar power plant. The 7,980 solar panels installed there generate 2,611,000 kWh/year, equivalent to the power consumption of about 550 general households. This has a CO₂ reduction effect of 469,858 kg per year. Going forward, we will continue to consider the installation on the rooftops of plants and equipment centers, etc., as we strive to further reduce CO₂.



Joint demonstration test of floating-type perovskite solar cells

The Group's operating subsidiary, MM BRIDGE CO., LTD., is working with SEKISUI CHEMICAL CO., LTD. and KOEI-D CO., LTD. on a joint demonstration test. They are using the swimming pool at the former Seishi Junior High School, which is now closed, to install film-type perovskite solar cells on the surface of water. The year-long trial, starting from April 3, 2024, aims to demonstrate the floating structure and workability that utilize the lightweight design of perovskite solar cells. As of April 3, 2024, this experiment is the largest of its kind in the country. The Group will continue to aim for its contribution to a decarbonized society.



Initiatives to promote resource and energy conservation

Specific activities at plants

For plants that have already engaged in many resource-saving and energy-saving activities, it is hard to find ways to drastically reduce environmental impact. Therefore, it is important to gradually build measures in line with equipment updates, etc. We are reducing our environmental impact through measures such as gradually replacing lighting with LEDs, introducing a digital welding machine that can reduce power consumption by more than 10% compared to conventional models, and introducing electric towing tractors, as well as working to find ways to improve the operating efficiency of various facilities.

Specific activities at equipment centers

We are exploring ways to reduce the environmental impact of our equipment centers, including considering the introduction of solar power generation and electric forklifts. The Hiroshima Equipment Center, our newest, has been operating as an all-electric facility since 2020. The Kurihashi Equipment Center, where renovations began in FY2022, plans to introduce solar power generation. Furthermore, we are gradually promoting the introduction of electric forklifts, and the plating treatment of equipment with the aim of reducing the use of organic solvents. We are also working to improve the surrounding environment and the workplace environment.



Environmental Initiatives

Initiatives toward global environmental conservation

Coral conservation activities

We found that coral grows on floating piers that have been subjected to electrolytic protection using the current anode method. The coral has been observed to prefer locations with relatively strong electric fields in the range of 0 to 100 mA/m². We therefore installed four coral growth shelves with different electric field conditions off the coast of Ishigaki Port. We attached

60 asexual reproductive coral pieces on each shelf, and observed the growth promotion effect for more than ten years. The results indicate that weak electric fields significantly promote coral growth, and weak electrical currents improve temperature tolerance of the coral. Using these findings, we will continue our efforts to conserve coral.



Disclosure of climate-related financial information

MIYAJI ENGINEERING GROUP's climate change countermeasure policy

- i) The Group recognizes climate change as one of its important management issues. In FY2023, we began disclosing the greenhouse gas (GHG) (CO₂ equivalent) emissions associated with the Group's business activities. We are continuing to deepen the quality and quantity of our disclosures, and in addition to the Scope 1 and 2 disclosures we began in FY2023 (FY2021 results), from FY2024 we have also begun disclosing Scope 3 emissions that are other than direct and indirect emissions (FY2022 results).
- ii) Our systematic efforts have included revising our Basic Regulations for Compliance and Risk Management in FY2022 and, in FY2023, defining materialities including environmental measures, establishing a Sustainability

- Promotion Committee chaired by the Representative Director, and deeply involving management at the Board of Directors level in our climate change countermeasures. We will begin performing scenario analysis to measure the environmental impact of the Group and analyzing risks and opportunities.
- iii) We will further deepen and strengthen our carbon neutrality policies at the Board of Directors level through vigorous discussions within the Sustainability Promotion Committee. Through this, we will enhance our governance and work as one to advance our initiatives for tackling the problems of climate change.

Disclosure item

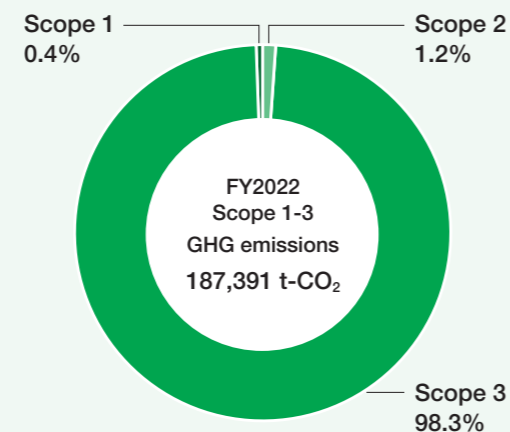
The Group has disclosed its GHG (CO₂ equivalent) emissions associated with Group business activities (FY2022 results)
Scope 1: 770.22 tons (34% increase vs. previous year) *The volume increased due to revisions to the items envisioned as falling within Scope 3 as of FY2023.

Scope 2: 2,329.81 tons (6% decrease vs. previous year)

Scope 3: 184,290.50 tons (Disclosed starting this fiscal year)

Below are the results of the Group's GHG emissions calculations for Scope 1, 2, and 3 for FY2022. Total emissions amounted to 187,391 t-CO₂, with Scope 3 emissions accounting for 98.3% of this total.

Scope	Amount (t-CO ₂ eq)	Unit
Scope 1	770.22	t-CO ₂ eq
Scope 2	2,329.81	t-CO ₂ eq
Scope 3	184,290.50	t-CO ₂ eq
Upstream	184,290.50	t-CO ₂ eq
Downstream	0.00	t-CO ₂ eq
Total emissions	187,390.53	t-CO ₂ eq

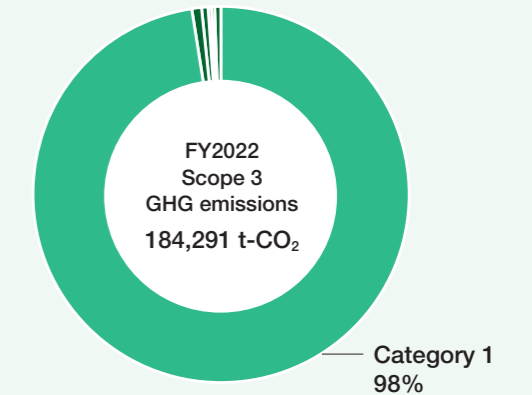


Environmental Initiatives

Below are the results of the GHG emissions calculations for Scope 3 for FY2022.

The largest source of emissions is purchased goods and services in Category 1, accounting for 98% of our Scope 3 emissions.

Category	Total emissions (t-CO ₂ eq)	Percentage within Scope 3
Category 1	180,108.51	97.7%
Category 2	1,690.61	0.9%
Category 3	497.21	0.3%
Category 4	663.36	0.4%
Category 5	57.27	0.0%
Category 6	798.76	0.4%
Category 7	474.78	0.3%
Total	184,290.50	100.0%



Emissions reduction targets

From FY2024, we are beginning systematic deliberations regarding the achievement of carbon neutrality by 2050 for direct emissions (Scope 1) and indirect emissions (Scope 2).

Examination of risks and opportunities based on climate change scenario analysis

- i) From FY2024, we will begin analyzing climate change scenarios that have an impact on the Group, and examining risks and opportunities resulting from environmental impact. We have selected the 1.5°C scenario (actively working to limit temperature increases) and the 4.0°C scenario (current course) defined by the Intergovernmental Panel on Climate Change (IPCC) for our scenario analysis.
- ii) We do not see, as an entire Group, climate change as presenting only risks, but also opportunities with the potential to contribute to our future business, so we will continue to actively improve our analyses.

Reinforcing the Group's overall governance structure

- i) In FY2022, we revised our Basic Regulations for Compliance and Risk Management, and in FY2023, the Board of Directors defined materialities, including climate change measures. Measures and Carbon Neutrality. The Sectional Committee actively discusses climate change measures and promotes measures for achieving carbon neutrality by 2050.
- ii) Under the Sustainability Promotion Committee, which is chaired by the Company's Representative Director and vice-chaired by a Director, we have established a Sectional Committee for Deliberations Regarding Climate Change.
- iii) We will enhance our governance to promote more active reporting to the Board of Directors regarding climate change issues, and to foster greater involvement by management.



Matsumoto Power Plant

Environmental Initiatives

Examination of risks and opportunities based on scenario analysis

i) Risks in the 1.5°C scenario (active response to mitigation measures)
We identify four main risks for the Group under the 1.5°C scenario.

- Policies, laws and regulations: Increased costs due to stricter environmental regulations; decreased construction orders due to changes in government policies; increased costs due to introduction of carbon tax
- Technology and products: Supply shortages and increased costs for eco-friendly products; concerns over the strength and safety of products adapted to eco-friendly specifications
- Market: Increased burden for advanced specifications and environmental compliance; shortage of engineers and workers; intensified competition with industry peers
- Reputation and corporate value: Lower stock prices due to delays in environmental actions; decreased bidding opportunities; impact on recruiting activity

Risks and opportunities		Supply chain	Impact (short-term)	Impact (medium-term)	Impact (long-term)	Explanation	
Transition risks	Current regulations	Procurement	Medium	Medium	High	As introduction of carbon pricing systems progress, the price of CO ₂ emission rights is expected to rise sharply. This will likely increase costs for industries with high greenhouse gas emissions. There are also long-term technology risks, such as failed investments in low-carbon products and technologies.	
		Sales	Medium	Medium	High		
	New regulations	Procurement	Medium	High	High		
		Sales	Medium	High	High		
	Laws and regulations	Procurement	Low	Low	Low		There are risks such as litigation exposure, but the Group does not expect its main suppliers or customers to be significantly affected.
		Sales	Low	Low	Low		
	Technology risks	Procurement	Medium	Medium	Medium		The shift to low-carbon products and technologies increases costs and raises concerns about safety.
		Sales	Medium	Medium	Medium		
	Market risks	Procurement	High	Medium	Medium		Cost changes from environmental measures may pose temporary risks, but the infrastructure business is expected to remain stable in the medium- to long-term.
		Sales	High	Medium	Medium		
	Reputational risks	Procurement	Medium	Medium	Medium		Lack of adequate environmental measures could lead to persistent reputation risks from suppliers and business partners.
		Sales	Medium	Medium	Medium		

i) Opportunities in the 1.5°C scenario (active response to mitigation measures)
At the same time, by actively responding to mitigation measures, the Group also foresees the following opportunities.

- Policies, laws and regulations: Preemptively shifting to carbon-neutral energy can contribute to reduction of costs associated with the introduction of carbon taxes, leading to lower costs
- Technology and products: Actively adopting eco-friendly parts allows us to offer low-emission products and services
- Market: Upgrading order specifications and requirements, enhancing and increasing speed of environmental measures contribute to increased market share
- Reputation and corporate value: Highly rated as an environmentally responsible company

Risks and opportunities		Supply chain	Impact (short-term)	Impact (medium-term)	Impact (long-term)	Explanation				
Opportunities	Market	Procurement	Medium	High	High	Actively adopting low-emission technologies can lead to reduction of costs associated with the introduction of carbon taxes. Increase in order requests when low-carbon requirement is added to bidding conditions.				
		Sales	Medium	High	High					
	Resilience	Procurement	Low	High	High		Implementation of energy saving measures and the use of renewable energy will create opportunities.			
		Sales	Low	High	High					
	Resource efficiency	Procurement	Medium	Medium	High			Efficient transportation methods and production processes will create opportunities.		
		Sales	Medium	Medium	High					
	Energy source	Procurement	Medium	High	High				Increased demand for construction using low-emission energy sources leads to new orders.	
		Sales	Medium	High	High					
	Product and service	Procurement	Low	High	High					Offering low-emission services through development and introduction of new technologies, etc. can lead to future opportunity expectations.
		Sales	Low	High	High					

Environmental Initiatives

iii) Risks and opportunities under the 4.0°C scenario (current trends continue)
In the 4.0°C scenario, we identify two main types of physical risks: sudden acute risks and ongoing chronic risks.

Acute risks

- Typhoons, heavy rain, and floods ⇒ Bridge damage due to landslides, etc.; increased accident risks during bridge erection and maintenance work; damages caused to our equipment
- Sudden weather changes ⇒ Decreased work safety; deterioration and loss of durability of equipment
- Increased procurement costs for metal and non-metal processed goods due to acute risks

Chronic risks

- Rise in temperature and humidity ⇒ Worsened outdoor working conditions; employee health damages; risk of structural deterioration due to paint degradation and steel corrosion; lowered operational efficiency, especially in summer
- Rising sea level ⇒ Increased risks in offshore work; adverse effects on factories in coastal areas
- Increased rainfall during the rainy season ⇒ Increased costs for strengthening drainage facilities; apparent risk of construction stoppages
- Unstable power supply due to frequent extreme weather

Risks and opportunities		Supply chain	Impact (short-term)	Impact (medium-term)	Impact (long-term)	Explanation	
Physical risks	Acute risks	Procurement	Low	Low	Medium	A wide range of natural disasters are expected, including floods, droughts, avalanches, heatwaves, and wildfires. Among our main areas of procurement, both metal and non-metal production processes will face adverse effects as the disaster prolongs, potentially raising procurement costs. However, works such as rebuilding bridges after natural disasters, etc. can be expected, presenting not only risks but also opportunities.	
		Sales	Low	Low	Medium		
		Chronic risks	Procurement	Low	Medium		Medium
			Sales	Low	Medium		Medium

For the physical risks expected in the 4.0°C scenario, the Group plans to respond with the following actions (opportunities).

Acute risks

- Typhoons, heavy rain, and floods ⇒ Need for bridge replacements and new bridge constructions; development of wind and water resistant equipment
- Sudden weather changes ⇒ Development of advanced safety design and construction techniques
- Increased civil reconstruction needs due to disasters

consideration of introducing high-durability materials and coatings; development of comfortable working conditions (clothing, etc.)

- Rising sea level ⇒ Development and introduction of floating structures; strengthening and renovating the Chiba Works
- Increased rainfall during the rainy season ⇒ Strengthening and enhancing drainage facilities
- Unstable power supply due to frequent climate change ⇒ Development of private power generation and backup power supply

Chronic risks

- Rise in temperature and humidity ⇒ Development of advanced safety design and construction techniques;



Toga-Ohashi Bridge/Nanto City, Toyama Prefecture



Irabu Ohashi Bridge/Miyakojima City, Okinawa Prefecture

Our Officers (As of April 1, 2024)

Directors



Shigetoshi Aota
President and Representative Director

Nov. 1970 Joined MIYAJI IRON WORKS CO., LTD. (currently MIYAJI ENGINEERING CO., LTD.)
Jun. 1999 President, Osaka Branch
Aug. 2001 Deputy General Manager, Bridge Sales Division; President, Osaka Branch
Jun. 2002 Director and General Manager, Bridge Sales Division; General Manager, Overseas Business Department
Jun. 2003 Director and Operating Officer, General Manager, Bridge Sales Division and General Manager, Overseas Business Department
Jun. 2004 Director, Operating Officer and General Manager, Sales Division; General Manager, Overseas Business Department
Jun. 2005 Director of the Company
Jun. 2007 Managing Director; Managing Operating Officer and General Manager, Sales Division of MIYAJI IRON WORKS CO., LTD.

Jun. 2007 Director of MIYAJI CONSTRUCTION & ENGINEERING CO., LTD. (currently MIYAJI ENGINEERING CO., LTD.)
Jun. 2009 Senior Managing Director; Senior Managing Operating Officer and Assistant to the President; General Manager, Corporate Planning Division of MIYAJI IRON WORKS CO., LTD.
Jun. 2010 President and Representative Director
Mar. 2011 President and Representative Director of MIYAJI ENGINEERING CO., LTD.
Jun. 2011 Vice President and Representative Director of the Company
Apr. 2013 President and Representative Director of the Company (current position)
Jun. 2019 Chairman and Representative Director of MIYAJI ENGINEERING CO., LTD.
Jun. 2022 Retired as Chairman and Representative Director of MIYAJI ENGINEERING CO., LTD.



Tadashi Uehara
Representative Director

Apr. 1983 Joined MIYAJI IRON WORKS CO., LTD. (currently MIYAJI ENGINEERING CO., LTD.)
Apr. 2008 General Manager, Construction Planning Department, Construction Division
Mar. 2009 General Manager, Engineering Proposal Office, Sales Division
Oct. 2010 General Manager, Engineering Department, Engineering Division
Mar. 2011 General Manager, Engineering Department, Engineering Division, Bridge Business Division of MIYAJI ENGINEERING CO., LTD.
Apr. 2013 General Manager, Planning Department, Chiba Works, Bridge Business Division
Apr. 2015 Operating Officer and General Manager, Engineering Department, Chiba Works
Jun. 2017 Director, General Manager, Engineering Division and General Manager, Engineering Department; Deputy General Manager, Planning Division
Apr. 2019 Director and General Manager, Engineering Division
Jun. 2019 Director of MM BRIDGE CO., LTD.
Jun. 2020 Director of the Company
Apr. 2021 Director and Managing Operating Officer; Deputy General Manager, Sales Division of MIYAJI ENGINEERING CO., LTD.
Apr. 2022 Representative Director and General Manager, Group Planning and Administration Division of the Company (current position)
Apr. 2022 President and Representative Director of MIYAJI ENGINEERING CO., LTD. (current position)



Masahiro Ikeura
Director

Apr. 1982 Joined Mitsubishi Heavy Industries, Ltd.
Apr. 2008 General Manager, Sales Department 1, Sales Management Department, Bridge Business Division of Mitsubishi Heavy Industries Bridge & Steel Structures Engineering Co., Ltd. (currently MM BRIDGE CO., LTD.)
Jun. 2008 General Manager, Sales Management Department, Bridge Business Division
Oct. 2009 General Manager, Corporate Planning Division
May 2012 Chief Researcher, New Business Development Office
Apr. 2014 Chief Researcher, Presidential Administration Office
Apr. 2015 Operating Officer and Chief Researcher, Presidential Administration Office of MM BRIDGE CO., LTD.
Jun. 2017 Managing Operating Officer and General Manager, Presidential Administration Office
Jun. 2019 Director and Managing Operating Officer and General Manager, Presidential Administration Office
Apr. 2020 Director and Managing Operating Officer
Jun. 2020 President and Representative Director (current position)
Jun. 2020 Director of the Company (current position)

Skills Matrix

Name	Position	Corporate Management	Sustainability	Governance	Universal	Finance / Accounting	Legal Affairs	Risk Management	Human Resources / Labor	Sales / Marketing	Engineering / Safety
Shigetoshi Aota	President and Representative Director	●		●		●		●			
Tadashi Uehara	Representative Director		●						●		●
Masahiro Ikeura	Director		●						●	●	
Mayumi Hirase	Outside Director		●		●						
Hidemi Ota	Outside Director Audit and Supervisory Committee Member	●		●							
Masato Tsujikawa	Outside Director Audit and Supervisory Committee Member			●			●				
Masato Higuchi	Outside Director Audit and Supervisory Committee Member			●				●			

*The ● marks in this matrix represent the skills particularly expected of each Director and do not represent all the skills possessed by each Director.

Outside Directors



Mayumi Hirase
Outside Director

Apr. 1988 Trainee of Ohmi Hills Golf Training Course
Jun. 1988 Passed professional test of Japan Ladies Professional Golfers' Association
Jun. 1988 Participated in Japan Golf Tour
Jan. 1996 Participated in US Golf Tour
Mar. 2000 Participated in Japan Golf Tour
Aug. 2010 Coached junior golf trainees at Himekko Golf School
Oct. 2013 Started activities as TV commentator
Jul. 2016 Instructor as "Dream Teacher," "JFA Kokoro Project" social contribution of Japan Football Association
Jun. 2023 Outside Director of the Company (current position)



Hidemi Ota
Outside Director Audit and Supervisory Committee Member

Apr. 1970 Joined Nippon Steel Corporation (Shin Nippon Seitetsu Kabushikikaisha) (currently NIPPON STEEL CORPORATION)
Jul. 1993 Manager, Marine and Offshore Steel Structures and Engineering Department, Marine and Offshore Steel Structure Business Division
Jul. 1999 Manager, Marine and Offshore Steel Structure Business Division
Jun. 2001 Director and Manager, Marine and Offshore Steel Structure Business Division
Apr. 2005 Managing Director and Deputy Manager, Engineering Unit
Jul. 2006 Executive Vice President and Representative Director of Nippon Steel Engineering Co., Ltd. (Shin Nippon Seitetsu Engineering Kabushikikaisha) (currently NIPPON STEEL ENGINEERING CO., LTD.)
Jul. 2010 Standing Auditor
Apr. 2015 Director, HINODE, Ltd. (current position)
Jun. 2018 Outside Director of the Company
Jun. 2021 Outside Director and Audit and Supervisory Committee Member of the Company (current position)



Masato Tsujikawa
Outside Director Audit and Supervisory Committee Member

Nov. 1985 Passed bar examination
Apr. 1988 Registered with Osaka Bar Association
Apr. 1988 Joined Kansai Law & Patent Office
Jan. 1994 Partner
Apr. 2004 Part-time Lecturer, Faculty of Law of Konan University
Dec. 2004 Member, Partner of Kansai Law & Patent Office
Jun. 2005 Corporate Auditor of Sumisho Grainger Co., Ltd. (currently MonotaRO Co., Ltd.)
Apr. 2006 Conciliation Commissioner of Osaka District Court and Osaka Summary Court (current position)
Jun. 2007 Outside Director of TACHIBANA ELETECH CO., LTD. (current position)
Jun. 2019 Outside Corporate Auditor of the Company
Jun. 2021 Outside Director and Audit and Supervisory Committee Member (current position)
Jan. 2024 Partner of Kansai Law & Patent Office (current position)



Masato Higuchi
Outside Director Audit and Supervisory Committee Member

Apr. 1982 Joined National Police Agency
Jan. 2007 Chief, Second Investigation Division
Oct. 2009 Chief, Information and Communications Planning Division
Sept. 2011 Director, Tokyo Metropolitan Government Office for Youth Affairs and Public Safety
Jun. 2013 Chief of Police, Fukuoka Prefectural Police
Jan. 2015 Chief of Police, Osaka Prefectural Police
Oct. 2016 Registered with Dai-ichi Tokyo Bar Association Attorney, Higuchi Compliance Law Firm (current position)
Jun. 2019 Outside Director, HIGASHI TWENTY ONE CO., LTD. (current position)
Jun. 2020 Outside Corporate Auditor of the Company
Jun. 2021 Outside Director and Audit and Supervisory Committee Member of the Company (current position)
Aug. 2021 Independent Director of Taiyo Cabletec Corporation (current position)
Nov. 2022 Outside Director, Nippon BS Broadcasting Corporation (current position)

Skills of Directors required by the Company

Corporate Management	Capabilities to guide and supervise the Company as a company that thrives and grows along with its stakeholders, with experience in overcoming management crises and ideas that can create the future amid such hardships.	Legal Affairs	Capabilities to identify laws and regulations that may have an enormous impact on corporate management and to guide and supervise appropriate measures from a legal perspective, with broad insight into legal affairs in the Company's management, which requires the prompt development of systems and processes to adapt to changes in the market environment.
Sustainability	Capabilities to guide and supervise the Company's social contribution activities in cooperation with external expert organizations, with knowledge related to environmental and social initiatives necessary for continuing sustainable growth and development over the medium- to long-term as well as deep insight into "coexistence and co-prosperity with society."	Risk Management	Capabilities to identify various risks that may have an enormous impact on corporate management and to guide and supervise appropriate measures, with broad insight into risk management in the Company's current management, in which the market environment is drastically changing.
Governance	Capabilities to prevent crises, to enhance employees' awareness of compliance, and to guide and supervise the Company as a company that makes social contributions, with a high degree of awareness about the important factors in governing a company such as corporate governance, internal controls, compliance, and risk management.	Human Resources / Labor	Capabilities to appropriately guide and supervise the Company's activities in cooperation with external expert organizations, with a drive for systemic reforms to draw out the abilities of employees and motivate them to contribute to the development of the Company, as well as knowledge related to human resources development and labor, along with a high degree of awareness about compliance with labor regulations.
Universal	The Company is a group of professionals that engages in social contribution activities through the development of social infrastructure. As a company responsible for protecting the safety and security of people's lives, we believe it is important to keep a universal perspective in mind at all times. Capabilities to grasp the Company's corporate activities from a universal perspective and to appropriately guide and supervise these activities by leveraging experience in a different environment through substantial social contribution activities.	Sales / Marketing	Capabilities to understand the nature of the order-based industry with public works at the core of management, to accurately grasp current challenges and their impact on changes in the market, and to guide and supervise the Company's business policies and sales policies for developed products.
Finance / Accounting	Capabilities to supervise financial positions and operating results in cooperation with external audit firms, to prevent accounting irregularities, such as window dressing, and to ensure compliance in corporate accounting, with a career background as a leader supervising finance/ accounting and tax affairs.	Engineering / Safety	Capabilities to guide and supervise the technological development policies or safety management systems in the Company's business, with knowledge related to technologies and safety control important in the design, manufacturing, and on-site construction of steel structures.



Governance to maximize corporate values

Message from four Outside Directors

The ultimate goal of corporate governance is to support sustainable growth and maximize corporate value by ensuring transparency, building trust, and maintaining sound management of a company. We asked four Outside Directors, who oversee the management of MIYAJI ENGINEERING GROUP, for their assessments of the Company's governance and the challenges ahead.

The mission of Outside Directors and what we focus on

Ota: I joined Nippon Steel Corporation (Shin Nippon Seitetsu Kabushikikaisha) (currently NIPPON STEEL CORPORATION) in 1970. I served as Manager of Marine and Offshore Steel Structure Business Division, and Managing Director and Deputy Manager of Engineering Unit. Later, I became the Executive Vice President and Representative Director of Nippon Steel Engineering Co., Ltd. (Shin Nippon Seitetsu Engineering Kabushikikaisha) (currently NIPPON STEEL ENGINEERING CO., LTD.). I have successfully led national projects like the Trans-Tokyo Bay Expressway Bridge (Tokyo Bay Aqua-Line Bridge) and Runway D at Tokyo International Airport through innovative technology proposals. I draw from this experience along with my background in managing new business divisions at large corporations to further strengthen MIYAJI ENGINEERING's profit-earning capabilities and build a corporate culture that continuously creates new value.

Tsujikawa: I have been working as a lawyer for 35 years. Lawyers listen to clients, research, organize and analyze relevant facts, identify issues, and propose and implement solutions, all from a legal standpoint. For Outside Directors, the real

clients are not management but stakeholders such as shareholders, customers, and employees. I see it as our mission as Outside Directors to live up to the trust our stakeholders place in us. We do this by supervising management, striving to establish fair and impartial governance. We strive to advise management appropriately, ensuring they do not underestimate legal risks or opt for easy solutions to problems in their pursuit of short-term business profits.

Higurashi: I joined the National Police Agency in 1982. I served as the Chief of Second Investigation Division, Chief of Police at Fukuoka Prefectural Police, and Chief of Police at Osaka Prefectural Police, and since 2016, I have been practicing as a lawyer. I draw on my many years of expertise in organizational management handling crisis situations, such as scandals. I strive to enhance the governance of MIYAJI ENGINEERING GROUP, focusing on compliance and risk management. I believe the key to enhancing governance effectiveness lies in seriously addressing stakeholder expectations as a company, which is the same as police address public sentiment. At the same time, operations and personnel management must be upgraded, and the organization must be overseen to firmly maintain and expand its inherent resilience.

Hirase: After passing the professional test of Japan Ladies Professional Golfers' Association in 1988, I competed in Japan Golf Tour and US Golf Tour. Since 2010, I have been involved in developing golf as a national sport as well as guiding and training younger generation through roles such as coaching at golf schools and working as a TV commentator. As a professional female golfer facing tough battles, I learned that achieving your dreams and goals requires unwavering determination. You have to be able to look past immediate results to focus on the future. I hope to help foster a creative corporate culture where all employees strive to achieve their goals, and support the implementation of management and business strategies with a medium- to long-term perspective.

Evaluation of governance structure and current state of the Board of Directors

Ota: The Board of Directors at MIYAJI ENGINEERING GROUP has a minimum and compact structure, consisting of three inside Directors and four Outside Directors, for a total of seven members. Operating Officers with rich expertise attend meetings, and Outside Directors from diverse backgrounds contribute their skills in advisory and supervisory roles. This enhances discussions at Board of Directors meetings. There is room for improvement in areas such as transparency in process for presenting agenda, increasing the number of female Directors, and ensuring earlier document distribution (currently the day before). But overall the Board is effectively fulfilling its intended functions and roles.

Tsujikawa: I believe the composition of the Board is generally appropriate. The Company appointed two internal presidents, the President and Representative Director of the Company and the President and Representative Director of its business company. From outside, Directors include Director Ota, a management expert, Director Hirase, an athlete who has thrived on the international stage, and Director Higurashi and myself, two lawyers. It may be unusual that two Outside Directors are lawyers. But as a former police executive and expert in compliance and risk management, Director Higurashi is essential for enhancing the governance structure of MIYAJI ENGINEERING GROUP. Board discussions are very active, including earnest debates on the opinions and suggestions of Outside Directors.

Higurashi: MIYAJI ENGINEERING GROUP has consistently strengthened its governance by appointing Directors with extensive knowledge, abilities, and experience. In June 2023, the Company welcomed Director Hirase, enabling us



Hidemi Ota

Outside Director
Audit and Supervisory Committee Member

“It is crucial to never settle and to continuously strive to create new value”

(Ota)



Masato Tsujikawa

Outside Director
Audit and Supervisory Committee Member

“Striving to establish fair and impartial governance is the mission of Outside Directors”

(Tsujikawa)



Mayumi Hirase

Outside Director

to gain a “universal perspective.” At Board of Directors meetings, President Aota makes statements on key issues based on prior internal discussions and consensus. Outside Directors provide advice and recommendations from their areas of expertise. Outside Directors are given adequate opportunities to speak, which is something I evaluate highly.

Hirase: I have never attended another company’s Board meeting, so I cannot draw comparisons. But discussions in Board of Directors meetings at MIYAJI ENGINEERING GROUP were more active and open than I expected, which was a pleasant surprise. I like how each Director not only speaks positively about their respective areas, but they do so in a way that is not one-sided, so all Directors can engage in discussion with sincerity. It is regrettable that I am the only female Director and that most management roles are held by men. During my career, I struggled to balance parenting and work, ultimately ending my career as a tour player. I hope MIYAJI ENGINEERING GROUP will actively promote women to management and executive roles, empowering them to excel and find fulfillment in their work.

Impressions of senior management and expectations for the future

Ota: I feel that MIYAJI ENGINEERING GROUP’s recent strong performance is largely due to President Aota’s exceptional leadership. He drove the successful business integration with MM BRIDGE CO., LTD., which has generated synergies. In the bridge industry, few leaders compare to President Aota. However, for the Company to maintain steady growth, it must address several key issues. We need to foster a new generation of leaders who are careful, decisive, and possess a warm human touch. Effective growth strategies must also be devised and implemented, integrating DX, M&As, and global considerations. It is also important to improve productivity and safety at our Chiba Works and other production sites, and create a corporate culture of embracing challenges. I am looking forward to seeing President Aota continue leading our problem-solving efforts with strong leadership.

Higuchi: The history of MIYAJI ENGINEERING GROUP has been one of challenges and transformations, driven by clear foresight to open up a new era. Over more than a century, the Company has faced many crises and challenges, overcoming them to achieve remarkable growth. Since becoming President of MIYAJI IRON WORKS CO., LTD. in 2010, President Aota has led the Group’s continued growth. He is the top management who deeply understands the innovation and strengths developed throughout our history, more than anyone else. The Company stays attuned to the needs of the times and implement strategies and measures that keep it one step ahead of its competitors, while prioritizing engagement with the capital markets. We believe this management policy has gained strong investor trust, resulting in a fair valuation with a PBR of over 1.

Challenges to tackle to establish an optimal management structure

Ota: Over the past year, MIYAJI ENGINEERING GROUP has strived to implement management that is conscious of cost of capital and stock price, based on the

“We aim to create a company where women can excel and find fulfillment”

(Hirase)

request from the Tokyo Stock Exchange. As a result, the stock price has increased significantly, and the PBR has been maintained at a level above 1. As the Board of Directors, we have been working in accordance with the basic policies of the Medium-Term Business Plan to enhance governance so we can improve the effectiveness of the Company’s strategies for growth, people, and sustainability. However, we recognize that there is room for deeper discussion on our capital policy, specifically on how to allocate cash flow among internal reserves, shareholder returns, employee benefits, and growth investments. We believe it is necessary to organize discussion points on various management issues and then engage in more in-depth discussions.

Tsujikawa: There are many challenges in governance. To make Board discussions more effective, management should provide detailed explanations to Directors in advance, especially on major issues. In meetings, the discussions and decision-making should be done from the standpoint of our stakeholders. It is also important to actively explore themes related to sustainability, such as developing leaders for the future. As Director Hirase pointed out earlier, prioritizing diversity in management is also a key management issue that needs to be addressed. At MIYAJI ENGINEERING GROUP, the Board composition is quite compact, so I believe it would be worthwhile to consider adding one female Director and one full-time Audit and Supervisory Committee Member.

Looking ahead - Strengthening governance further -

Ota: To achieve sustained growth in rapidly changing economic society, companies must never be satisfied with the status quo. Instead, it is crucial that we always seek to create new value. Through my experience with many large-scale projects, I have come to deeply understand the importance of technological breakthroughs and proactive proposals. I will draw on the knowledge and expertise I have gained at the forefront of projects and business management to provide thorough oversight of MIYAJI ENGINEERING GROUP. My goal is to support the Company as it strives to become an industry leader, submitting high-quality proposals based on technological innovation in pursuit of its “Vision for 2026.”

Tsujikawa: As a lawyer, I see it as my duty to act as a voice for stakeholders. I aim to strengthen governance and deepen compliance management from an independent, fair, and impartial position separate from management. I am continuously committed to live up to the trust and expectation of our stakeholders, by making the best decisions in our management and operations, in line with the Corporate Governance Code and the requirements of the Tokyo Stock Exchange.

Higuchi: Police work around the clock, every day of the year, to protect the lives of ordinary citizens. They often face situations where there is no time to spare, requiring quick, astute decisions and swift action. To effectively handle emergencies, it is crucial to maximize each employee’s motivation. We believe this is the essence of personnel and organizational management. As an Outside Director, I aim to help strengthen MIYAJI ENGINEERING GROUP’s key strengths: its talented workforce and team collaboration.

Hirase: For MIYAJI ENGINEERING GROUP to keep growing steadily, it is essential to develop not only the next generation of leaders but also young and mid-career employees who can become future candidates for executive positions. As an Outside Director with a background as an athlete, I would like to actively engage with middle management and younger employees. Through these conversations, I aim to discover the long-term direction and new ways of operating for the Group.

“Welcoming Director Hirase, a female athlete, has given us a universal perspective”

(Higuchi)



Masato Higuchi

Outside Director
Audit and Supervisory Committee Member

Corporate Governance

Fundamental Approach

We recognize that the foundation of our corporate activities consists of management that resonates with and earns the trust of our stakeholders, including our shareholders, customers, business partners, employees, and local communities. We aim to achieve sustained growth and to increase our corporate value over the medium and long term. We have defined key measures for achieving the following: we will strive to reinforce our management base on a sustained basis, to ensure the soundness and transparency of our management, to continuously enhance our corporate governance, and to prepare and reinforce our internal control structure.

Our Governance Structure

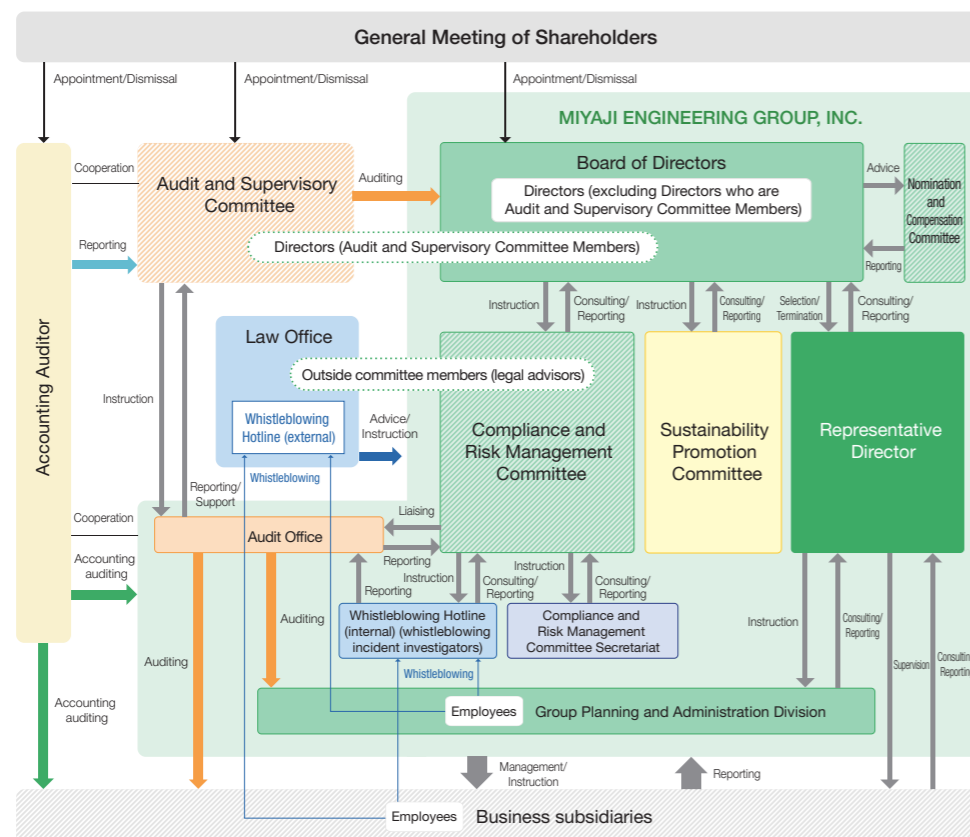
We have adopted the format of a Company with an Audit and Supervisory Committee from the perspective of further enriching our corporate governance system. We selected this format because assigning the voting rights of the Board of Directors to Directors who are Audit and Supervisory Committee Members will further enhance the auditing and supervision functions of the Board of Directors, will accelerate decision-making, and will enrich discussions from a medium- and long-term perspective. In conjunction with this, we have established a Nomination and Compensation Committee and a Compliance and Risk Management Committee. Our goal in creating the voluntary Nomination and Compensation Committee, over half of whose members are Independent Outside Directors, is to reinforce the independence, objectivity,

and accountability of the Board of Directors' functions with respect to the nomination and compensation of Directors. Our goals in creating the Compliance and Risk Management Committee, which is composed of outside committee members such as a lawyer, is to build and tune our system for managing compliance and risks within the Group, to operate the system appropriately, and to fully establish the operation of the system within the Group. The Board of Directors makes decisions after receiving inquiries and advice from the respective committees, thereby engaging in business management with a high level of legal compliance and transparency. At the same time, we believe that the committees provide management monitoring functions that contribute significantly to the establishment of corporate governance.

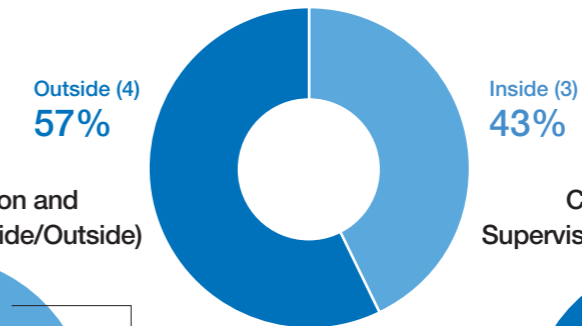
Reinforcing Our Governance Structure

At our 19th General Meeting of Shareholders, held in June 2022, we reduced the number of Directors from ten (including four Independent Outside Directors) to seven (including four Independent

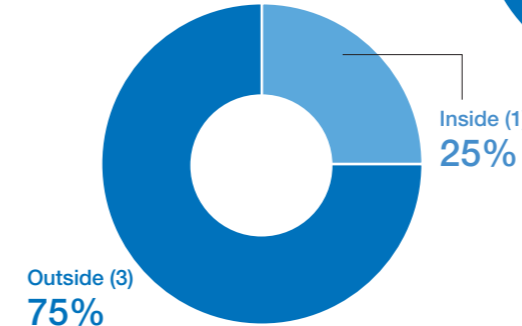
Outside Directors). This raised the percentage of Independent Outside Directors to over 50% of the Board of Directors with the aim of further enriching our governance structure.



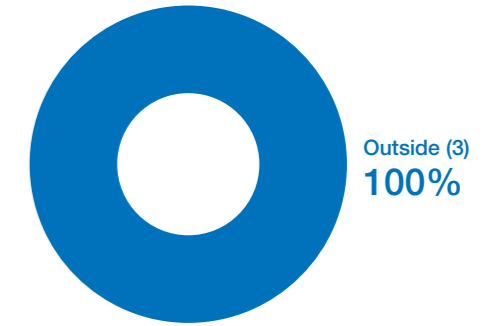
Composition of Directors (Inside/Outside)



Composition of Nomination and Compensation Committee (Inside/Outside)



Composition of Audit and Supervisory Committee (Inside/Outside)



Status of initiatives of the Board of Directors

The Board of Directors consists of seven members, including four Independent Outside Directors and three inside Directors (including two representatives of operating subsidiaries) who have expertise and a wealth of experience. The Board of Directors deliberates and decides on matters that the Board of Directors is

authorized to decide exclusively by laws, regulations, and the Articles of Incorporation, matters set forth in the Board of Directors Rules, and other important matters related to business execution. The Board of Directors also supervises the execution of duties by Directors (including the presidents of operating subsidiaries).

Main agenda for FY2023

1. Deliberation of various statutory documents for submission including annual securities reports
2. Deliberation of various disclosed materials
3. Deliberation of business plans
4. Evaluation of the effectiveness of the Board of Directors
5. Deliberation of policy that responds to requests from the Tokyo Stock Exchange relating to "Action to Implement Management that is Conscious of Cost of Capital and Stock Price" and "Better Dialogue with Shareholders"
6. Deliberation of Integrated Report 2023
7. Reporting of activities by the Sustainability Promotion Committee and deliberation accompanying such report
8. Examination of the holding status of listed shares (cross-shareholdings) and deliberation of the reduction policy
9. Policy relating to a two-for-one share split
10. Policy relating to the English language information disclosure
11. Policy relating to the adoption of electronic voting system and electronic voting platform
12. Deliberation of expansion of details included in the skill matrix
13. Deliberation of financing and personnel matters of the Company and its subsidiaries
14. Deliberation of matters on management/instruction of subsidiaries

Status of initiatives of the Nomination and Compensation Committee

The Nomination and Compensation Committee consists of four members, of whom over half, including the chairperson, are Outside Directors. The Committee was established as an advisory body, independent from the Board of Directors, for the purpose of reinforcing the independence, objectivity, and accountability of the Board of Directors' functions with respect to matters deemed necessary by the Board of Directors concerning the appointment and dismissal of Directors, the selection and dismissal of

Representative Directors and Directors with titles, and matters deemed necessary by the Board of Directors concerning remuneration, etc. for Directors.

The Nomination and Compensation Committee consists of four members: Outside Director Hidemi Ota, Outside Director Masato Tsujikawa, Outside Director Masato Higuchi, and President and Representative Director Shigetoshi Aota, with Outside Director Hidemi Ota serving as the Chair.

Corporate Governance

Audit and Supervisory Committee

The Audit and Supervisory Committee consists of three Independent Outside Directors. The Committee has the authority specified in laws, regulations, the Articles of Incorporation, etc. The Committee also audits and supervises the execution of duties of Directors by attending meetings of the Board of Directors and other important

meetings, and by regularly exchanging information and opinions with MEG's President and the presidents of individual operating subsidiaries. Furthermore, the Committee coordinates closely with the Audit Office and the Accounting Auditor to ensure the effectiveness of internal auditing.

Main agenda for FY2023

- Attendance of the Board of Directors meetings to audit proceedings and resolutions and inquire and advice to ensure the appropriateness of the Board of Directors' decision-making
- Holding of semi-annual meetings with the Company's Representative Directors and Representative Directors of subsidiaries, etc., and recommend and exchange views based on audit findings
- Attendance of the Compliance and Risk Management Committee held twice a year to express opinions as necessary
- Reporting of accounting audits (including quarterly reviews) from the Accounting Auditor and reporting of the implementation status of internal control audits from the Audit Office; checking of the appropriateness of accounting audits
- Information gathering by utilizing internal control systems; gathering information by instructing the secretariat of the Audit and Supervisory Committee to attend meetings, inspection of documents, etc.
- Site visits to plants and construction sites of subsidiaries; assess business conditions through explanations and reporting from relevant parties and confirm that they are operating appropriately and efficiently

Number of Board of Directors meetings held/attended

Name	Position	Number of meetings held	Number of meetings attended
Shigetoshi Aota	President and Representative Director	10 times	10 times
Tadashi Uehara	Representative Director	10 times	10 times
Masahiro Ikeura	Director	10 times	10 times
Mayumi Hirase*	Outside Director	7 times	7 times
Hidemi Ota	Outside Director Audit and Supervisory Committee Member	10 times	10 times
Masato Tsujikawa	Outside Director Audit and Supervisory Committee Member	10 times	10 times
Masato Higuchi	Outside Director Audit and Supervisory Committee Member	10 times	10 times

*The number of meetings attended stated for Mayumi Hirase is after her appointment at the 20th Annual General Meeting of Shareholders held on June 29, 2023.

Support system for Outside Directors

In addition to reporting on the status of the Company's business execution and legally required matters, Directors and employees report matters that have a significant impact on the entire company, the status of implementation of internal audits, and serious violations of laws, regulations, or the Articles of Incorporation, to Outside Directors without delay. In order to make appropriate decisions, Outside Directors (excluding Directors who are Audit and Supervisory Committee Members) request additional information from the related departments and the General Affairs and Human Resources Department, which serves as the secretariat for the

Board of Directors, as necessary, and the related departments provide information and materials based on the requests as appropriate. In order to conduct appropriate audits, Outside Directors who are Audit and Supervisory Committee Members request information and materials from the related departments as necessary, with the Audit Office taking the lead, and the related departments provide information and materials based on the requests as appropriate. In this manner, a system is in place to respond to requests from Outside Directors at all times.

Appointment and dismissal of Directors

The appointment of Director candidates and candidates for Directors who are Audit and Supervisory Committee Members is determined by the Board of Directors after consulting with and reporting from the Nomination and Compensation Committee, taking into consideration both the diversity and appropriate size for effectively fulfilling the roles and responsibilities. These decisions are made by majority voting at a General Meeting of Shareholders attended by at least one third of shareholders with voting rights.

Policies and procedures

(1) Appointment of senior management

Given that the appointment of the senior management, among Directors, is an important corporate decision, the Board of Directors, with appropriate involvement and advice from Independent Outside Directors, shares the importance of compliance and governance and selects personnel who have achievements, knowledge, and foresight and can demonstrate top management qualities and abilities, such as leadership and problem-solving skills.

(2) Nomination of Director candidates

The Board of Directors selects Directors who have excellent character and insight, as well as the knowledge, experience, and ability to accurately carry out the required responsibilities. The Board of Directors also selects Outside Directors who have a wealth of experience, expertise, and broad insight into corporate management and who fulfill the Company's standards for independence based on the standards established by the Companies Act and the Tokyo Stock Exchange.

Analysis and Evaluation of the Effectiveness of the Board of Directors as a Whole

The Company evaluated the effectiveness of the Board of Directors as a whole with the aim of further improving the operation, etc. of the Board of Directors. A summary of the evaluation method and results is as follows.

Evaluation method

- (1) Self-evaluations for all Directors, including Outside Directors, are conducted.

[Evaluation items]

- Matters relating to the composition of the Board of Directors
- Matters relating to the operation of the Board of Directors
- Matters relating to business strategies

- (2) Analysis and evaluation of the effectiveness of the Board of Directors as a whole are conducted by the Board of Directors based on the results of (1) above.

Summary of evaluation results

The Board of Directors of the Company evaluated that the effectiveness of the Board of Directors as a whole has been secured. Based on this evaluation of the effectiveness for the fiscal year ended March 31, 2024, the Company will continue to make improvements to further improve the effectiveness of the Board of Directors as a whole.

Implementation of Director training

To enhance the corporate governance structure, the Company conducts individual training for Directors as necessary, including training for newly appointed Directors through external seminars, and group training for all Directors and Operating Officers every year in July after holding the General Meeting of Shareholders. Considering that SSBJ has announced the draft of the non-financial information disclosure standards and the sustainability-related business environment is strongly likely to change, this year, we held a training session on the topic of "Corporate Governance Reform and Sustainability Management," where Directors and Operating Officers engaged in lively discussions with the lecturer.



Corporate Governance

Remuneration, etc. for Directors and Audit and Supervisory Committee Members

The Company's policy for determining the amount of executive remuneration, etc. and the method of calculation thereof is determined taking into consideration comprehensively general examples of companies at the same level, the balance with the level of employees' salaries, the general state of management, and other factors. Specifically, the amount of remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members) is determined by the Board of Directors, based on reports from the Nomination and Compensation Committee, taking into consideration the Company's business performance, management details, economic conditions, etc. Remuneration, etc. for Directors who are Audit and Supervisory Committee Members are determined by the Audit and Supervisory Committee within the scope of the total amount of remuneration resolved at the General Meeting of Shareholders.

At the 18th Annual General Meeting of Shareholders held on June 25, 2021, it was resolved that the upper limit of total annual remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be ¥120 million per year (however, this amount does not include the employee portion of salary for Directors who concurrently serve as employees. The Outside Director portion of the annual amount shall be ¥12 million. The number of Directors provided for in the Articles of Incorporation is no more than ten) and the upper limit of total annual remuneration for Directors who are Audit and Supervisory Committee Members shall be ¥48 million per year (the number of Directors who are Audit and Supervisory Committee Members provided for in the Articles of Incorporation is no more than four). Remuneration, etc. received by the Company's officers in the current fiscal year consisted of fixed compensation only.

Total remuneration, etc.

Officer type	Total remuneration, etc. (Million yen)	Total remuneration, etc., by type (Million yen)				Number of applicable officers
		Fixed compensation	Performance linked compensation	Retirement benefits	Non-monetary compensation, etc. included at left	
Directors (excluding Audit and Supervisory Committee Members and Outside Directors)	25	25	-	-	-	2
Audit and Supervisory Committee Members (excluding Outside Directors)	-	-	-	-	-	-
Outside officers	35	35	-	-	-	5

*The total amount of remuneration, etc. received by Directors as officers of subsidiaries during the current fiscal year was ¥121 million.

Contents of audit compensation

Category	FY2022		FY2023	
	Amount of compensation for audit and attestation services (Million yen)	Amount of compensation for non-audit services (Million yen)	Amount of compensation for audit and attestation services (Million yen)	Amount of compensation for non-audit services (Million yen)
Submitting company	22	-	22	-
Consolidated subsidiaries	25	-	25	-
Total	47	-	47	-

Internal control

Fundamental Approach

The Group shall work on the development of an internal control system by establishing the following basic policy, pursuant to a resolution of the Company's Board of Directors, concerning the development of an internal control system based on the Companies Act, that includes a legal compliance system and a risk management system at its core, and a system for storing and managing information, a system for ensuring the efficiency of the execution of duties, a system for ensuring the appropriateness of the operations of the Group, and a system for ensuring the effectiveness of audits by the Audit and Supervisory Committee. The Company's

operating subsidiaries shall also work on the development of internal control systems, pursuant to a resolution of the Company's Board of Directors, in accordance with similar basic policies for the development of an internal control system. Through the development of such systems, the Group shall strive for sound corporate development by further strengthening our efforts to provide safe and superior products, construction, and services as a corporate group that is trusted by our clients and other stakeholders.

Furthermore, as a holding company, the Company monitors the status of our operating subsidiaries and manages the Group, and is also accountable for their performance.

Cross-shareholdings

The Group holds listed shares as a cross-shareholding for the purpose of maintaining business relationships, including the establishment of long-term, stable relationships between the Company and the companies issuing such shares. Our shareholdings are examined each fiscal year from various perspectives, such as the business performance, stock price, dividends, and growth potential of each company in which we hold shares, and the results are discussed and approved by the Board of Directors. As a result, we will continue to reduce shareholdings for which we deem the significance of holding these shares to be insufficient or not commensurate with the cost

of capital based on dialogue with the companies in which we hold shares. We will also reduce the ratio of the cross-shareholdings book value to consolidated net assets to 10% or less during the period of the Medium-Term Business Plan (FY2022 to FY2026). While we sold four stocks in the fiscal year ended March 31, 2024 as part of these efforts, the increase in stock price has resulted, on the contrary, in the rise of the ratio to net assets. The exercise of voting rights in connection with cross-shareholdings is decided whether to approve or disapprove each proposal from the perspective of whether the proposal will contribute to the sustainable growth of the Group and individual investees.

During the period covered by the Medium-Term Business Plan, the book value of cross shareholdings is expected to be reduced to 10% or less of net assets



*We sold cross-shareholdings with a book value of ¥280 million in the fiscal year ending March 31, 2024.

*The book value rose due to climbing stock price, but we will continue selling cross-shareholdings and compress their ratio to net assets.

Status of dialogue with shareholders and investors

The Company actively holds meetings with shareholders and investors to enhance their understanding of the growth strategies and capital policies. In the fiscal year ended March 31, 2024 we held SR and IR meetings with an annual total of 53 times. In addition to

holding biannual financial results briefings, we also arranged a total of five Chiba Works tours for investors. Matters gained and incorporated through these dialogues are wide-ranging, as stated below, and we plan to continue holding these dialogues in the future.

Initiatives during FY2023 (April 1, 2023 to March 31, 2024)

Overview of shareholders and investors with which the Group engaged in dialogue	<ul style="list-style-type: none"> Japanese institutional investors, etc.: 20 SR meetings, 14 IR meetings, 2 financial results briefings, 5 plant tours Overseas institutional investors, etc.: 3 SR meetings, 16 IR meetings
Main personnel engaging in dialogue with shareholders and investors	<ul style="list-style-type: none"> Shigetoshi Aota, President and Representative Director Yutaka Setoi, Operating Officer and General Manager, IR Office Akinobu Endo, Operating Officer and General Manager, Planning and Administration Division (Note) On April 1, 2024, the IR Office was renamed the Sustainable Management Promotion Office.

Initiatives during FY2023 (April 1, 2023 to March 31, 2024)

- (1) Business strategies and growth investment plans, etc., in the Medium-Term Business Plan (FY2022 to FY2026)
- (2) Approach to and status of implementation of capital policy based on the action to implement management that is conscious of cost of capital and stock price (announced on August 9, 2023)
- (3) Value creation process in line with our history and the platform to achieve this (quality and quantity of management resources) based on our Integrated Report 2023 (published May 22, 2023)

Matters gained through shareholder dialogue and matters incorporated in the management (includes matters from dialogue in the previous fiscal year)

- (1) Publication of Integrated Report 2023 (May 2023)
- (2) Start of information disclosure in English (May 2023)
- (3) Appointment of female Director (one of seven from June 2023)
- (4) Revision of total return ratio (revised target return ratio for the term of the Medium-Term Business Plan from 30% to 60% from the fiscal year ended March 31, 2024)
- (5) Implementation of a share split (implemented in October 2023)
- (6) Acceleration of reduction in our cross-shareholdings (reduced four stocks in the fiscal year ended March 31, 2024)
- (7) Disclosure of remuneration for Directors (disclosed total amount of remuneration received from subsidiaries as officers from the fiscal year ended March 31, 2022)
- (8) Start of disclosure of Director skill matrix in notice of annual general meeting of shareholders (from the fiscal year ended March 31, 2023) and enhancement of content (planned for the fiscal year ended March 31, 2024)
- (9) Adoption of electronic voting system and electronic platform for exercising of voting rights at general meeting of shareholders (which was planned for annual general meeting of shareholders for the fiscal year ended March 31, 2024)

Compliance

Fundamental Approach

MIYAJI ENGINEERING GROUP and its operating subsidiaries shall engage in compliance with the following basic policy in accordance with the Charter of Corporate Behavior and Code of Conduct stipulated separately in order to protect the legal and social security and values of all people working within the Group and to establish corporate governance that pursues social responsibility.

Basic Policy

- (1) We shall not participate in activities that are problematic in light of compliance.
- (2) We shall honestly acknowledge violations, deviations, negligence, etc., and promptly take corrective measures and measures to prevent recurrence.
- (3) We shall clarify roles, responsibilities, and authority within the organization, as well as information communication routes.
- (4) We shall continue to provide adequate training and conduct rigorous evaluations of all Officers and Employees, etc.
- (5) Each Group company of MIYAJI ENGINEERING GROUP shall conduct an appropriate self-audit each year in accordance with management policy and our Charter of Corporate Behavior and Code of Conduct.
- (6) We recognize our social responsibility as a corporation and we shall make appropriate efforts as a corporation to resolve issues necessary for a sustainable society.
- (7) We shall conduct compliance promotion activities as a management priority.

Compliance Education

The Group strives to maintain and improve our employees' compliance awareness by conducting biannual (1H/2H) compliance training regarding violations of the Antimonopoly Act, violations of the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, sexual harassment and power harassment issues, and the like to all employees to prevent any serious legal compliance violations (that is, serious compliance violations that affect the corporate brand) from occurring.

Whistleblowing system

The Group establishes Whistleblowing Regulations to detect early and correct misconduct, etc. in violation of the Antimonopoly Act and other laws and regulations and practice fair management that complies with the laws and regulations in good faith. It also makes well known and thoroughly enforces employees in the Group to directly report to the head of the organization to which one belongs, the officer in charge of compliance and risk management, or through the established whistleblowing system if one becomes aware of the fact or danger of a serious compliance risk or

Furthermore, to foster a corporate culture that we can be proud of in society, we will ensure that the major items in the laws and regulations, etc. that require compliance in business activities, and the Charter of Corporate Behavior and the Code of Conduct which stipulate the corresponding policies and precautions, etc. are well known and thoroughly enforced so that all employees will fully be aware and acknowledge.

compliance violation in the workplace or business and finds it hard to reach an autonomous solution through its reporting line. We ensure that no disadvantage will be imposed for such an act of whistleblowing. To enhance the effectiveness of the whistleblowing system, we have set up a whistleblowing hotline in the Company's General Affairs and Human Resources Department and internal audit divisions of each operating subsidiary, as well as in "law firms" as an external hotline.

Information security assurance and protection of intellectual property

To prevent confidential information, customer information, personal information, etc., from being leaked to a third party, used for other purposes, and other misconducts, the Group will thoroughly manage information strictly while duly considering the security of information systems. It will also strive to maintain,

secure, and strictly protect intellectual property rights (including patent rights, copyrights, utility model rights, design rights, and trademark rights) and, at the same time, respect the intellectual property rights of others and obtain and use them through appropriate means without infringing on them.

Risk Management

Fundamental Approach

MIYAJI ENGINEERING GROUP and its operating subsidiaries accurately deal with natural disasters, accidents, other man-made disasters, and various management risks, and tackle risk management in accordance with the following basic policies in order to fulfill our Social Responsibilities by doing whatever we can to prevent and eliminate all factors that may hinder the achievement of our management philosophy and management objectives.

Basic Policy

- (1) Through risk management practices, we shall continually and stably develop our business and maintain and enhance our Corporate Values and Social Evaluations.
- (2) Giving top priority to ensuring the quality and safety of our products and services, we shall strive to eliminate or reduce factors that may damage our Corporate Values and Social Evaluations, as well as eliminate or reduce factors that may hinder the Social Evaluations and economic benefits of our customers, business partners, shareholders, investors, local

- communities, and other stakeholders, as well as our own Officers and Employees, etc.
- (3) We shall make it our social mission to provide a stable supply of products and services that are widely used throughout society.
- (4) All Officers and Employees, etc. shall comply with various laws, regulations, rules, etc., in the spirit of compliance and shall autonomously consider what is the right thing to do and act based on that judgment.

Risks covered by risk management

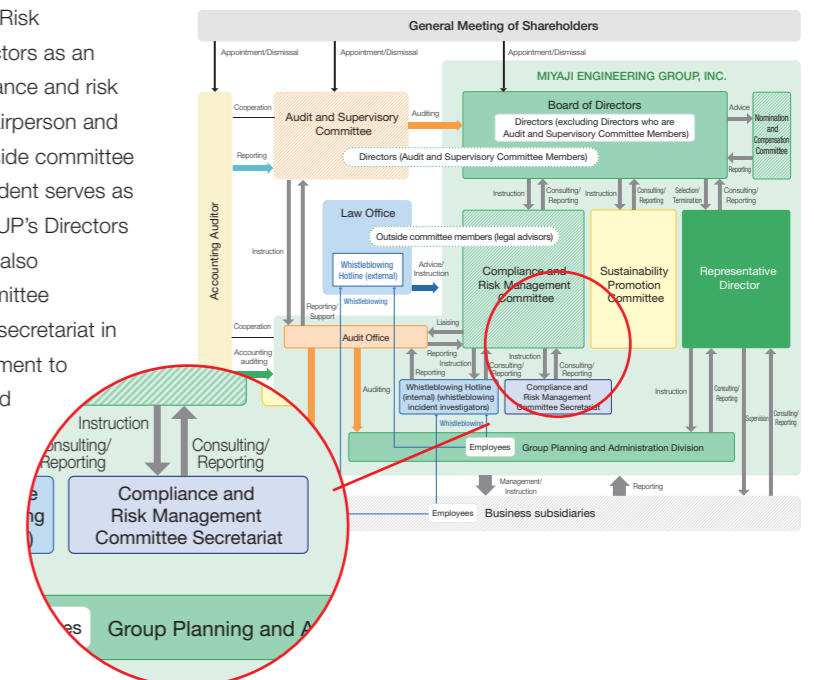
The types of risks targeted by risk management initiatives are as follows.

- (1) Accidents that have a significant social impact at construction sites
- (2) Quality non-conformance issues that have a significant social impact
- (3) Violations of various laws and regulations established by the government and notices, bulletins, guidelines, outlines, etc. established by administrative agencies
- (4) Violations of various regulations, etc. established by organizations

- to which each Group company of MIYAJI ENGINEERING GROUP belongs
- (5) Actions and events other than those listed above that significantly damage social trust and evaluations
- (6) Actions that seriously violate general social rules, socially accepted various norms, and ethical values
- (7) Large-scale natural disasters such as earthquakes and typhoons
- (8) Climate change risks
- (9) Events that have a significant adverse effect on MEG that do not fall under any of the above

Compliance and risk management promotion systems

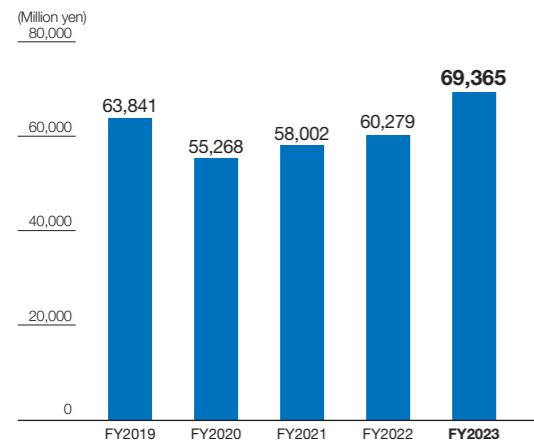
The Company has established a Compliance and Risk Management Committee under the Board of Directors as an organization to build, promote and ensure compliance and risk management. The Committee consists of one chairperson and twelve committee members or less (including outside committee members). MIYAJI ENGINEERING GROUP's President serves as the chairperson, and MIYAJI ENGINEERING GROUP's Directors serve as committee members. The Company has also appointed legal advisors to serve as outside committee members. In addition, the Company has set up a secretariat in the General Affairs and Human Resources Department to carry out the Committee's activities in a flexible and efficient manner. The secretariat manages administrative work related to the Group's compliance and risk management in general, as an actual working organization of the Committee.



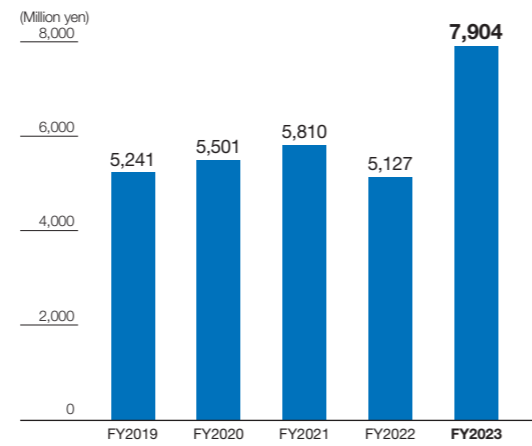
Financial and Non-financial Highlights

Financial highlights

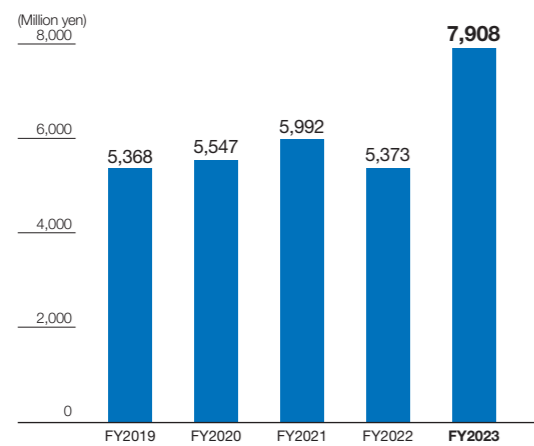
Net sales



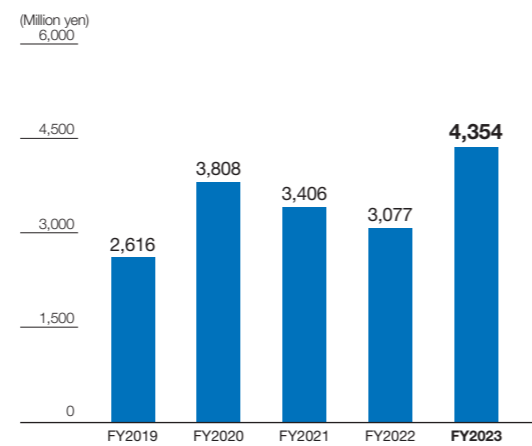
Operating profit



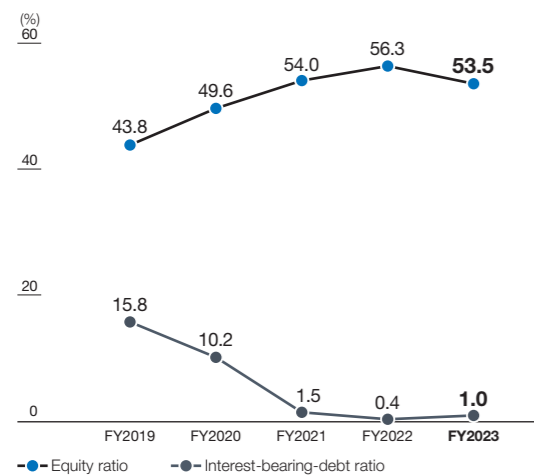
Ordinary profit



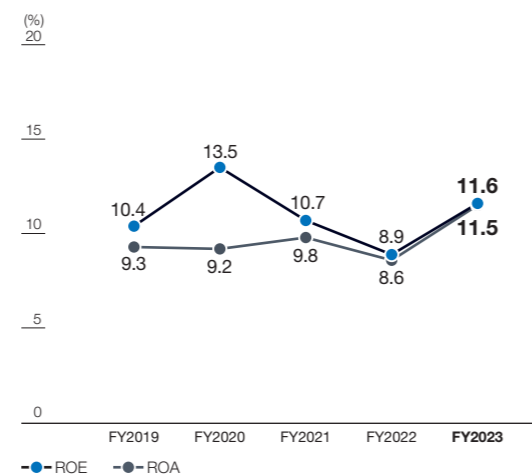
Profit attributable to owners of parent



Equity ratio/Interest-bearing-debt ratio

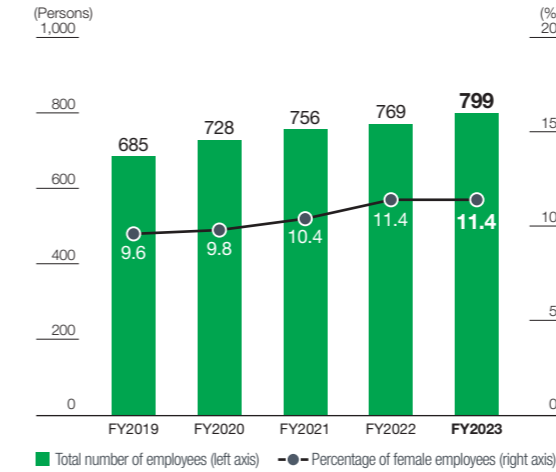


ROE/ROA

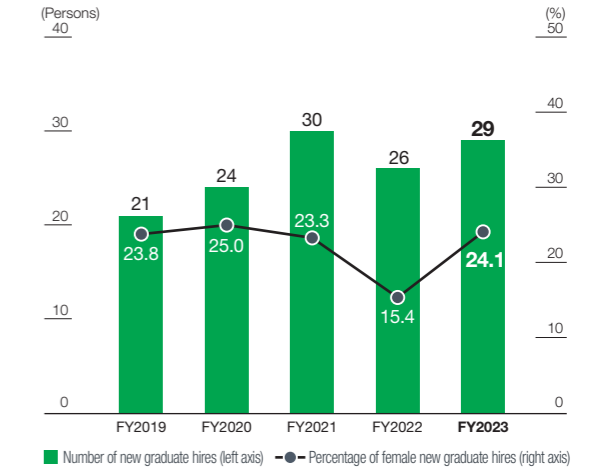


Non-financial highlights

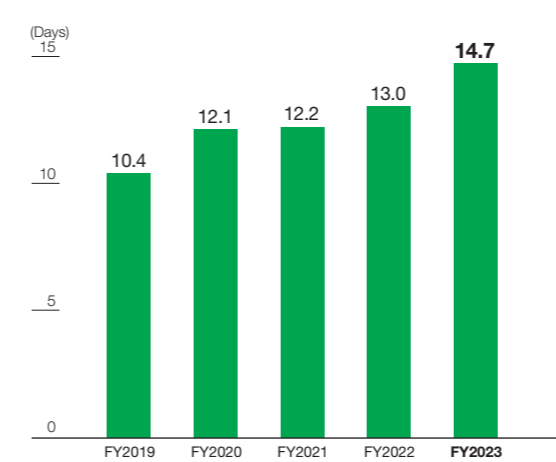
Number of employees/Percentage of female employees (consolidated)



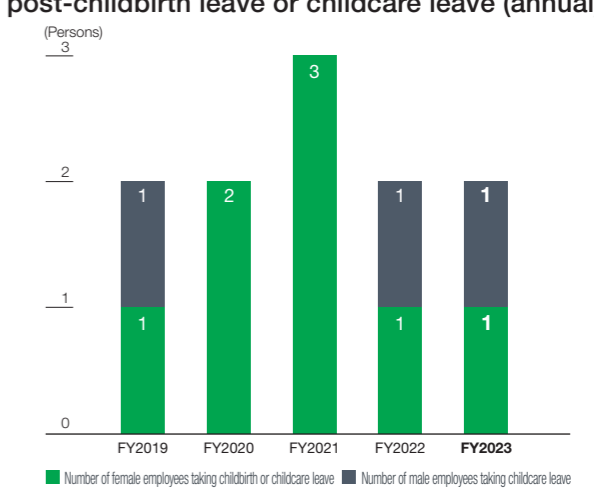
Number of new graduate hires/Percentage of female new graduate hires (consolidated)



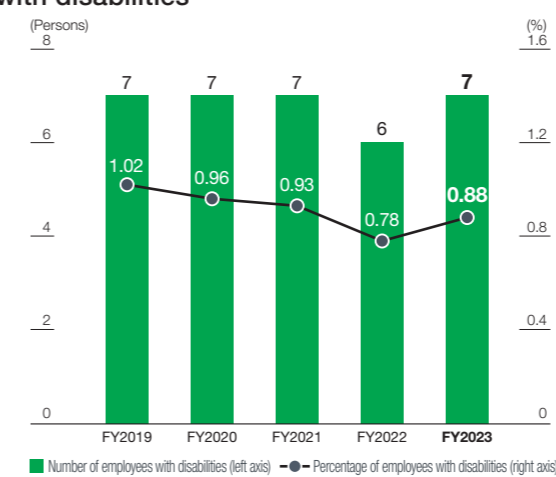
Average number of days of paid leave taken



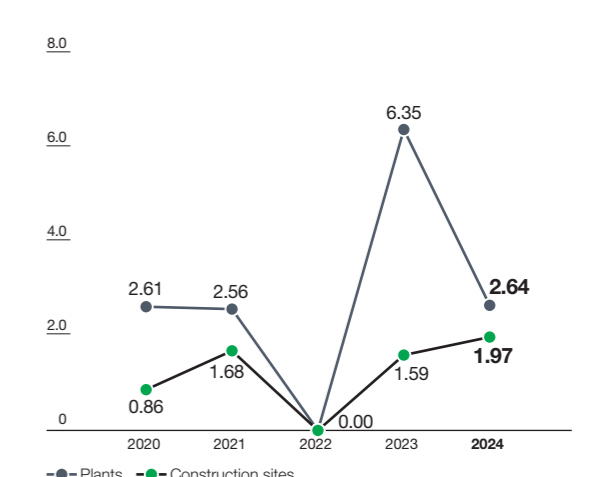
Number of employees taking pre- or post-childbirth leave or childcare leave (annual)



Number and percentage of employees with disabilities



Occupational accident frequency rate



*Figures are aggregated annually up to 2020 and by fiscal year from 2021 onward.

11-Year Financial Summary

		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Operating results												
Net sales	(Million yen)	22,027	24,834	39,930	36,298	47,128	52,062	63,841	55,268	58,002	60,279	69,365
Operating profit	(Million yen)	1,436	1,100	1,088	2,530	3,518	4,350	5,241	5,501	5,810	5,127	7,904
Operating profit margin	(%)	6.5	4.4	2.7	7.0	7.5	8.4	8.2	10.0	10.0	8.5	11.4
Ordinary profit	(Million yen)	1,447	1,183	1,144	2,612	3,612	4,534	5,368	5,547	5,992	5,373	7,908
Profit attributable to owners of parent	(Million yen)	928	1,002	2,355	2,184	2,085	3,608	2,616	3,808	3,406	3,077	4,354
Financial condition												
Total assets	(Million yen)	31,665	35,157	45,964	47,146	55,022	55,631	59,690	60,738	61,815	63,051	74,146
Net assets	(Million yen)	13,175	15,011	18,460	21,301	24,184	28,070	30,333	35,006	39,091	41,568	46,614
(Of which, equity capital)	(Million yen)	13,175	15,011	16,402	18,871	21,272	24,369	26,161	30,147	33,380	35,508	39,695
Equity ratio	(%)	41.6	42.7	35.7	40.0	38.7	43.8	43.8	49.6	54.0	56.3	53.5
Return on equity (ROE)	(%)	7.3	7.1	15.0	12.4	10.4	15.8	10.4	13.5	10.7	8.9	11.6
Return on assets (ROA)	(%)	4.7	3.5	2.8	5.6	7.1	8.2	9.3	9.2	9.8	8.6	11.5
Interest-bearing debt	(Million yen)	6,733	7,496	7,875	5,608	3,813	4,551	4,130	3,079	517	156	390
EBITDA	(Million yen)	1,780	1,448	1,605	3,046	4,136	4,919	5,918	6,506	6,909	6,152	8,858
EBITDA margin	(%)	8.1	5.8	4.0	8.4	8.8	9.4	9.3	11.8	11.9	10.2	12.8
D/E ratio	(Times)	0.51	0.50	0.48	0.30	0.18	0.19	0.16	0.10	0.02	0.00	0.01
Cash flows												
Cash flows from operating activities	(Million yen)	1,225	16	(3,378)	5,436	7,492	(2,456)	4,669	1,094	11,915	495	8,841
Cash flows from investing activities	(Million yen)	(530)	(441)	3,918	(549)	(997)	(526)	(2,184)	(2,587)	(1,185)	(711)	(1,539)
Cash flows from financing activities	(Million yen)	391	(28)	247	(2,586)	(2,115)	338	(955)	(1,741)	(3,267)	(2,147)	(1,802)
Per-share indicators												
Earnings per share	(Yen)	13.64	14.73	34.61	32.09	306.46	530.16	384.50	559.63	500.51	452.22	319.95
Net assets per share	(Yen)	193.53	220.51	240.95	277.24	3,125.65	3,580.73	3,844.08	4,429.74	4,904.97	5,217.92	2,916.70
Dividend per share	(Yen)	2.00	2.00	4.00	4.00	40.00	60.00	80.00	80.00	140.00	140.00	192.00
Payout ratio	(%)	14.7	13.6	11.6	12.5	13.1	11.3	20.8	14.3	28.0	31.0	60.0
Dividend on equity (DOE)	(%)	1.1	1.0	1.7	1.5	1.4	1.8	2.2	1.9	3.0	2.8	6.9
Other												
Capital investment	(Million yen)	270	957	474	892	536	557	2,071	2,649	804	1,167	1,947
Depreciation	(Million yen)	344	347	517	516	618	568	677	1,004	1,098	1,025	953
Research and development expenses	(Million yen)	50	54	80	92	112	110	134	211	160	236	246

(Notes) 1. Since a share consolidation (ten shares to one share) was implemented on October 1, 2017, per-share indicators for the fiscal year ended March 31, 2018 have been recalculated as if the share consolidation had been implemented at the beginning of the fiscal year.

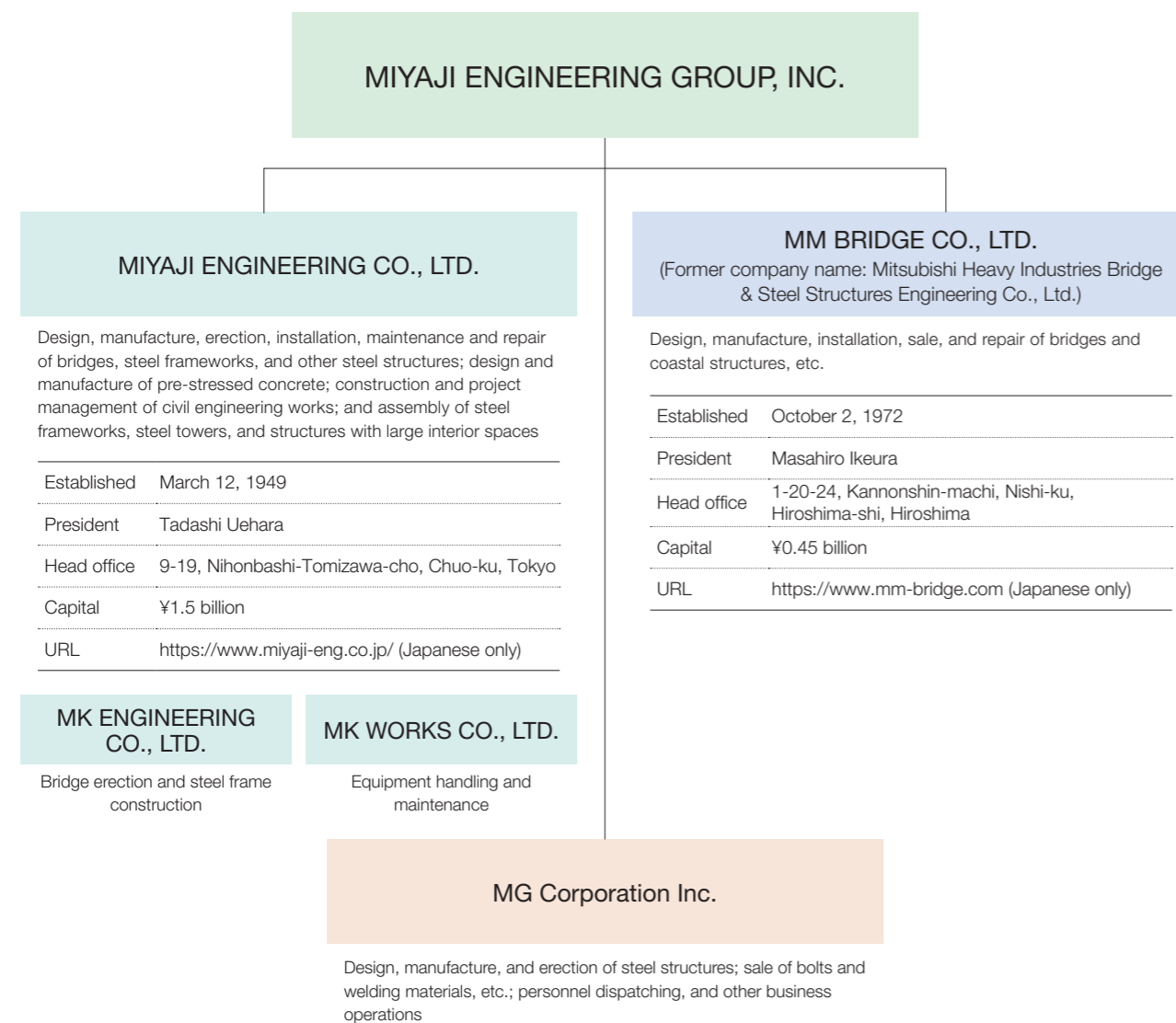
2. Since a two-for-one share split was implemented on October 1, 2023, per-share indicators for the fiscal year ended March 31, 2024 have been recalculated as if the share split had been implemented at the beginning of the fiscal year.

Corporate Information

Company Profile

Company name	MIYAJI ENGINEERING GROUP, INC.
Business	Management and control of the business activities of subsidiaries through ownership of shares of the subsidiaries, which primarily perform diagnosis & inspection, design, manufacture, erection, maintenance & repair contracting for bridges, steel frameworks, and other steel structures, and design and construction & project management contracting for civil engineering and pre-stressed concrete construction
Head office location	9-19, Nihonbashi-Tomizawa-cho, Chuo-ku, Tokyo
Capital	¥3.0 billion
Fiscal year	From April 1 to March 31 of the following year
Stock listing	Tokyo Stock Exchange, Prime Market
Website	https://www.miyaji-eng.com/en/
Official YouTube channel	https://www.youtube.com/@Miyaji-G

Group Companies



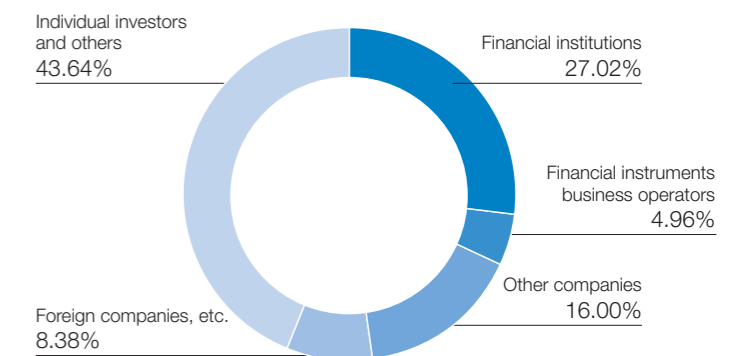
Share Information (As of March 31, 2024)

Share conditions

Total number of authorized shares	55,355,600 shares
Total number of issued shares*	13,838,908 shares
Number of shareholders	13,332

*The Company will conduct a two-for-one share split of its common shares, effective October 1, 2024.
Total number of authorized shares after the share split are as follows:
Total number of authorized shares: 110,711,200 shares
Total number of shares outstanding: 27,677,816 shares

Types of share owners



Major shareholders

Name	Address	Number of shares owned (thousand shares)	Percentage of shares owned to the total number of issued shares (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (trust account)	1-8-1 Akasaka, Minato-ku, Tokyo	1,309	9.62
MUFG Bank, Ltd.	2-7-1, Marunouchi, Chiyoda-ku, Tokyo	654	4.81
Meiji Yasuda Life Insurance Company	2-1-1, Marunouchi, Chiyoda-ku, Tokyo	533	3.92
MIYAJI Client Stock Ownership Association	9-19, Nihonbashi-Tomizawa-cho, Chuo-ku, Tokyo	465	3.42
Custody Bank of Japan, Ltd. (trust account)	1-8-12, Harumi, Chuo-ku, Tokyo	321	2.37
NIPPON STEEL CORPORATION	2-6-1, Marunouchi, Chiyoda-ku, Tokyo	315	2.32
JPMorgan Securities Japan Co., Ltd.	2-7-3, Marunouchi, Chiyoda-ku, Tokyo	262	1.93
Mitsubishi UFJ Trust and Banking Corporation	1-4-5, Marunouchi, Chiyoda-ku, Tokyo	256	1.88
Hikari Tsushin K.K.	1-4-10, Nishi-Ikebukuro, Toshima-ku, Tokyo	202	1.49
Sumitomo Mitsui Banking Corporation	1-1-2, Marunouchi, Chiyoda-ku, Tokyo	189	1.39
Total		4,510	33.14

(Note) In addition to the above, there are 229 thousand treasury shares.

Stock trends

