

Environment

- ✓ [Information disclosure based on TCFD proposal](#)
- ✓ [Realization of a decarbonized society](#)
- ✓ [Contributing to Circular Society](#)
- ✓ [Initiative for Water Resources](#)
- ✓ [Contribution to resilient urban and regional development](#)
- ✓ [Biodiversity Preservation Initiatives](#)

Information disclosure based on TCFD proposal

Information disclosure based on TCFD proposal

In October 2021, the MIRAIT ONE Group joined the TCFD Consortium^{*2}, endorsing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)^{*1}, which aims to proactively disclose the financial impact of climate-related risks and opportunities. In May 2022, we disclosed information based on the recommendations on "Governance," "Risk Management," "Strategy (Scenario)," "Target," and "Actual Performance" as described in the section below. In the future, we will monitor changes in the external and internal environment associated with climate change with respect to "identified risks" and "opportunity examination." We will also work to expand the scope of disclosure further to include the development of risk management system, continued review of risks and opportunities based on scenario analysis, etc. and progress toward achieving the greenhouse gas emissions reduction targets.



^{*1} Established by the Financial Stability Board to facilitate more informed decision making on investments, credit, and insurance underwriting, help stakeholders better understand the concentration of carbon-related assets in finance, and formulate recommendations for more effective climate-related disclosures.

^{*2} An organization established as a forum for companies, financial institutions, etc. that endorse the TCFD, working together to discuss effective information disclosure by companies and initiatives to help financial institutions make appropriate investment decisions based on disclosed information.

■ Governance

After establishing ESG Management Promotion Committee (see [ESG Management Promotion System](#)) in September, the materiality "Create and protect an environmentally friendly society" was resolved after deliberation by the Management Committee and the Board of Directors, and the realization of a decarbonized society. In order to make full-fledged contributions to this goal, we have set a greenhouse gas emissions reduction target (2030), which is one of the KPIs in our medium-term management plan, and have established a system to monitor progress.

The 2030 greenhouse gas emissions reduction target was certified as SBT (Science Based Targets^{*1}) in February 2023.

In fiscal 2023, the committee will meet four times in total to discuss the specific GHG emissions reduction status and reduction measures for the entire group, respond to evaluations from various ESG rating agencies, analyze the results, formulate strategies, We are promoting various measures.



^{*1} Greenhouse gas reduction targets set by companies with a target year of 5 to 15 years in the future consistent with the level required under the Paris Agreement (limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C). (From the Ministry of the Environment and Ministry of Economy, Trade and Industry Green Value Chain Platform)

"consolidated ROE."

■ Risk Management

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

In fiscal 2023, the Risk Management Committee met twice to discuss and address the status of the use of the Help Line and the management of major risks, such as litigation matters, at each corporate group company. In addition, based on the results of an analysis of the Questionnaire Survey on Compliance and Risk Management, etc. conducted for all employees and executives, measures were clarified for each division in charge, and educational activities were conducted. (Related section: [Thorough risk management](#).)

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

■ Strategy

The MIRAIT ONE Group has analyzed the potential climate-related risks and opportunities in the future by referring to the scenarios based on the average temperature rise of less than 2°C (e.g. 1.5°C) and 4°C^{*1}. Consequently, it was assessed that the transition to a decarbonized society (policy/legislation/market/reputation) would be subjected to the impacts that manifest as a result of anticipated future events and physical (acute/chronic) impacts from climate change.

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

*1 The scenarios refer to the following.

A scenario in which a decarbonized society is realized quickly:

- International Energy Agency (IEA) World Energy Outlook 2018 Sustainable Development Scenario (SDS)
- IEA Energy Technology Perspectives 2017 Beyond 2°C Scenario (B2DS)

A scenario in which the physical impact is manifested:

* Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report

* An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty

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

Envisioned scenario	Tighter carbon emission regulations		Increasing awareness toward decarbonization
Identified risks			
Duration until risk occurrence	Medium- and long-term	Short-, medium- and long-term	Short-term
Type	Policy/regulation	Policy/regulation	Market/reputation
Description	<ul style="list-style-type: none"> • Increase in material and fuel procurement costs due to carbon taxation • Increased business burden due to insufficient compliance with regulations such as carbon pricing • Risk of cost increase due to the purchase of credits for emissions in case of failure to achieve reduction targets. 	<ul style="list-style-type: none"> • Increase in electricity costs due to a shift to renewable energy sources 	<ul style="list-style-type: none"> • When environmental measures turn out to be inadequate - Decrease in orders for new construction projects - Termination of existing maintenance contracts - Loss of customers due to higher reputation risks
Opportunity examination			
Duration until risk occurrence	Medium- and long-term	Short-, medium- and long-term	Short-term
Type	Product/service/energy	Product/service/energy	Market
Description	<ul style="list-style-type: none"> • Increase in demand for 	<ul style="list-style-type: none"> • Increase in demand for 	<ul style="list-style-type: none"> • Increase in demand for

Initiatives		
Details	<ul style="list-style-type: none"> Promotion of power-saving through DX and work-style reform. Improvement in fuel efficiency through the use of fuel additives for vehicles, and promotion of EV adoption. Promotion of renewable energy utilization in purchased electricity. 	<ul style="list-style-type: none"> Identifying and promoting the procurement of low-carbon products. Proper disclosure of information to stakeholders.

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

Envisioned scenario	Increase in the frequency and severity of natural disasters		Rise in average temperatures	
Identified risks				
Duration until risk occurrence	Short-, medium- and long-term	Short-, medium- and long-term	Long-term	Medium- and long-term
Type	Acute	Acute	Chronic	Chronic
Description	<ul style="list-style-type: none"> Damage to telecommunication equipment and base stations caused by heavy rains and typhoons and increase in restoration costs Decrease in workforce due to disaster. 	<ul style="list-style-type: none"> Discontinuation of products and services due to disruption of the value chain 	<ul style="list-style-type: none"> Increase in air conditioning costs incurred by data centers, etc. 	<ul style="list-style-type: none"> Decrease in labor productivity and increase in health issues such as heat stroke due to deterioration of outdoor working environment.
Opportunity examination				
Duration until risk occurrence	Short-, medium- and long-term	Medium- and long-term	Long-term	Medium- and long-term
Type	Market/resilience	Market	Market	Resilience
Description	<ul style="list-style-type: none"> Increase in demand for pole-free electricity to deal with abnormal weather conditions 	<ul style="list-style-type: none"> Growing demand for disaster prevention and mitigation work for telecommunication equipment and base stations due to the increase in the frequency and severity of natural disasters 	<ul style="list-style-type: none"> Replacement of air conditioning equipment with high-efficiency equipment Improvement of the operation of HVAC equipment 	<ul style="list-style-type: none"> Further promotion of DX and remote working style
Initiatives				
Details	<ul style="list-style-type: none"> Increase in demand for facility enhancements such as battery storage systems and emergency power supply. Development of multi-skilled human resources. Enhancement of collaboration with MIRAIT ONE Partners^{*1}. 	<ul style="list-style-type: none"> Water supply solution business. 	<ul style="list-style-type: none"> strengthening of air conditioning business. 	<ul style="list-style-type: none"> Streamlining construction through DX and strengthening worker health management.

*1 Collaboration with partner companies is a core theme of ESG management foundation. We have launched the "MIRAIT ONE Partners" with approximately 350 core companies out of the 2,200 cooperating companies and partner companies within the Mirait One Group.(July 2022)

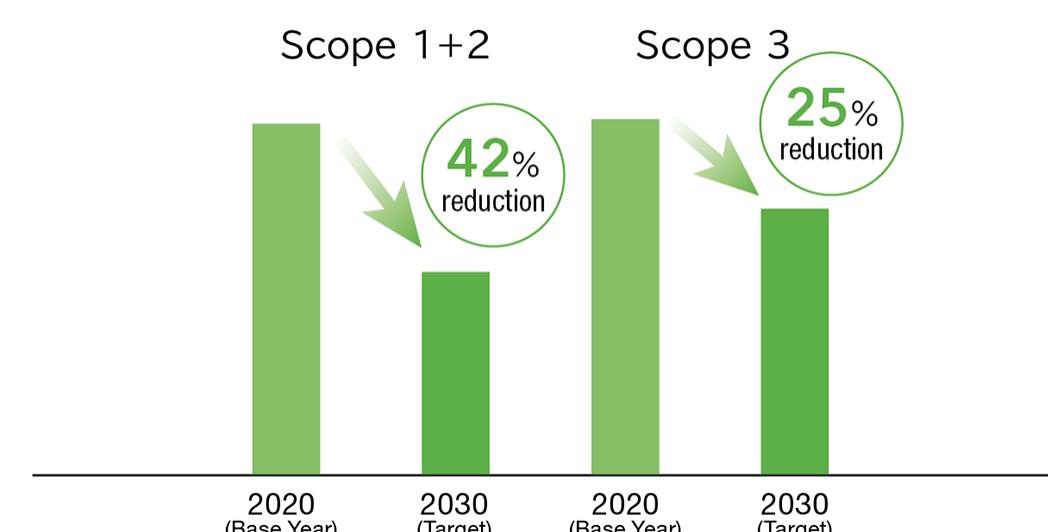
■ Target

In FY2021, the MIRAIT One Group (excluding Kokusai Kogyo) declared its commitment to "Realization of virtually zero greenhouse gas (GHG) emissions by 2050" in order to achieve carbon neutrality by 2050, and set a target for reducing greenhouse gas emissions in fiscal 2030. In February 2023, we were certified by SBTi(Science Based Targets initiative) as a scientifically based target. By setting non-financial targets in the medium-term management plan, we are steadily incorporating growth opportunities for our business in decarbonisation. Note that Kokusai Kogyo set its reduction targets and obtained SBT certification in September 2021, prior to joining the Group in December 2023.

— Achieve virtually zero greenhouse gas (GHG) emissions by 2050

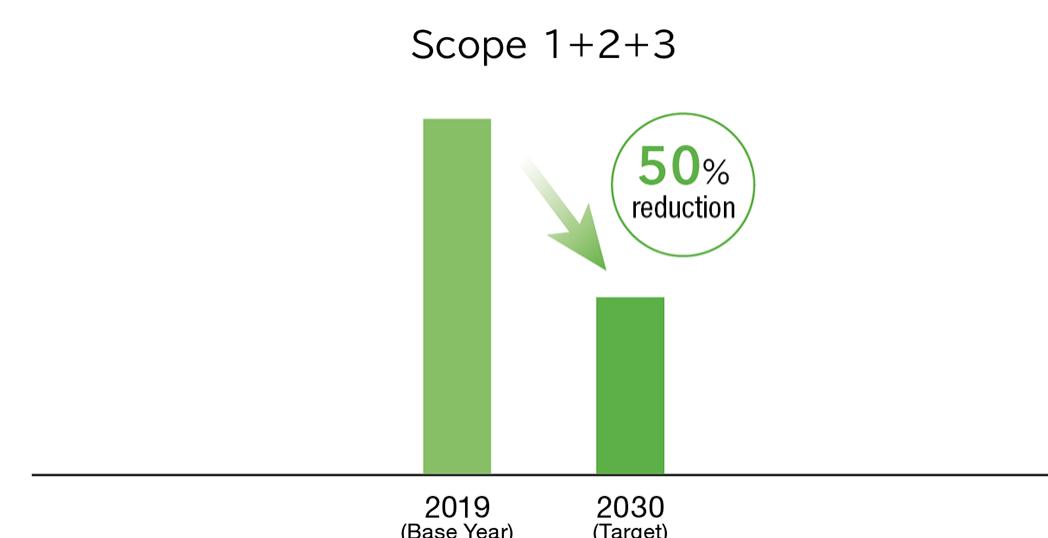
— Greenhouse gas emissions reduction targets toward FY 2030

	FY2020 (base year) level by FY2030.	February 2023
Scope 3	Reduce the Group's greenhouse gas emissions by 25% from the FY2020 (base year) level by FY2030 *Our policy is to promote emission reductions primarily through the purchased products/services and the use of products sold.	Certified in February 2023



(Listed separately) Kokusai Kogyo Corporation

Target	SBT
Scope 1+2+3	Reduce by 50% compared to FY2019 (base year) by FY2030. Certified in September 2021

**Actual results**

The results of greenhouse gas emissions for fiscal 2020 and subsequent years are as follows.

Reduction of greenhouse gas emissions

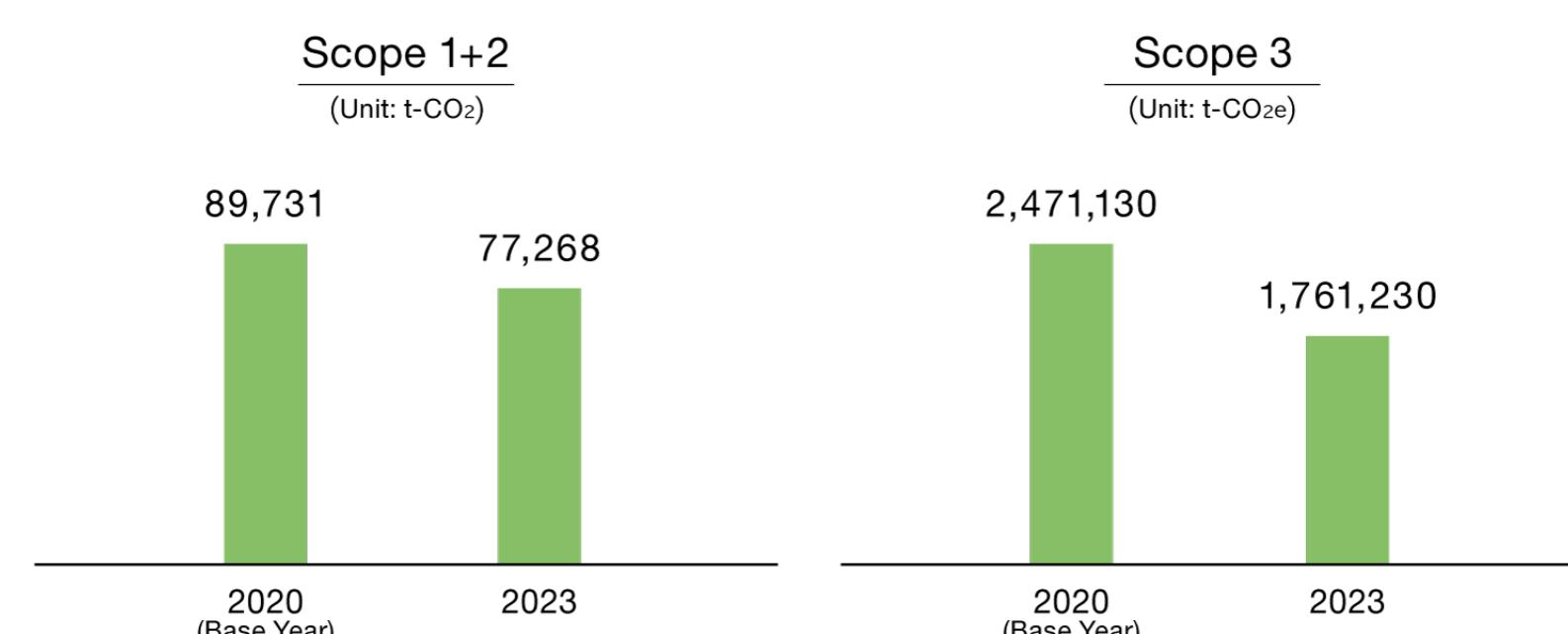
[Independent assurance statement for fiscal year 2023 \(PDF:410KB\)](#)

(For past independent assurance statements, [click here](#).)

MIRAIT One Group as a whole

Category	Emissions	
	FY 2020 (Standard)	FY 2023
Scope 1+2	89,731 (t-CO ₂)	77,268 (t-CO ₂)
Scope 3	2,471,130 (t-CO _{2e})	1,761,230 (t-CO _{2e})

※The FY2023 greenhouse gas emissions results for the entire Group include the FY2023 results for Kokusai Kogyo.

**MIRAIT One Group (excluding Kokusai Kogyo)**

Category	Emissions			
	FY2020 (Standard)	FY 2021	FY 2022	FY 2023
Scope 1	Direct emissions	66,890	67,907	65,166
Scope 2	Indirect emissions	22,841	21,277	19,754
Scope 3	Other indirect emissions	2,471,130	2,413,496	2,222,900
				1,711,795

Category11	Use of sold products	1,892,870	1,848,997	1,814,356	1,273,909
Others (Category2,3,5,6,7,12,13)		64,968	112,204	71,471 ^{*1}	74,990 ^{*1}
Sum total for Scope1-3		2,560,861	2,502,680	2,307,820	1,786,575

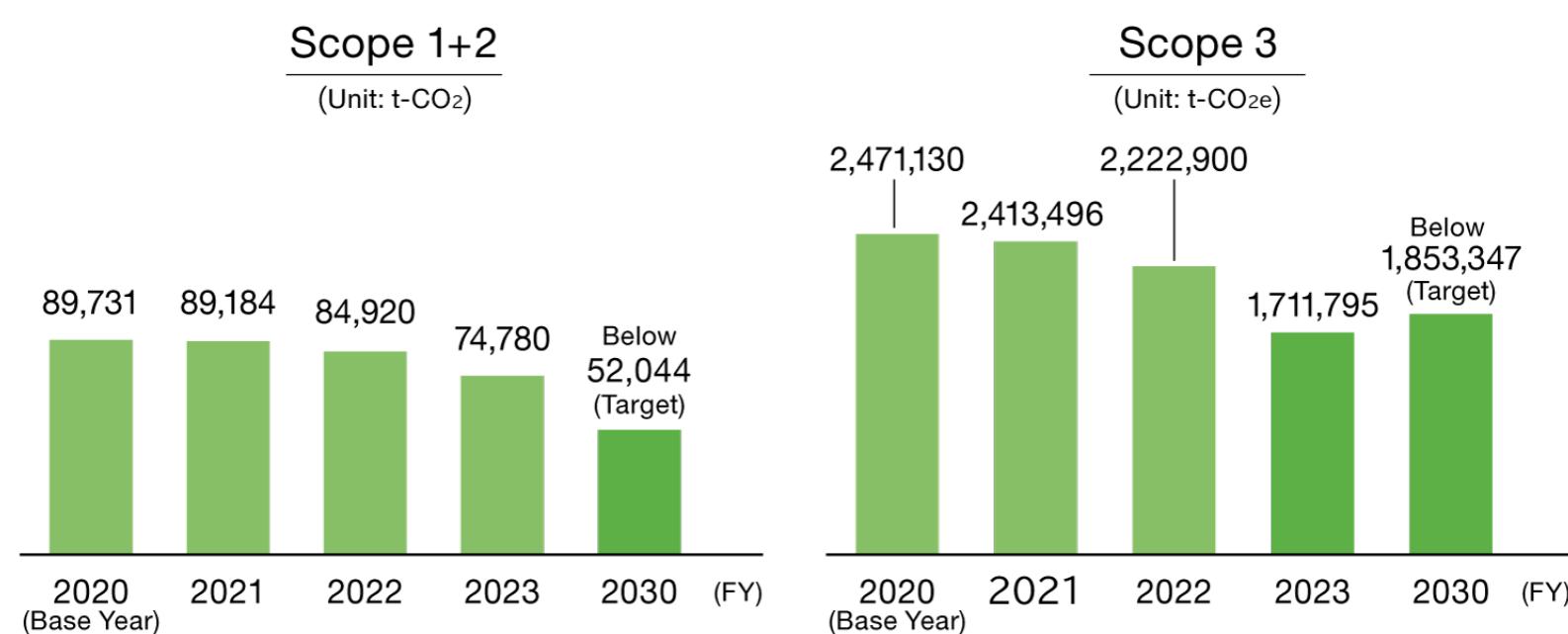
*Figures for FY 2020 (Standard) include those for Seibu Construction Co., Ltd.

*Emission unit: Scope1,2 (t-CO₂), Scope3 (t-CO_{2e})

* 1 Appendix: Breakdown of Others

Category	Emissions		
	FY 2022 Emissions(t-CO _{2e})	FY 2023 Emissions(t-CO _{2e})	
Category 2	Capital goods	32,442	34,217
Category 3	Fuel-and-energy-related activities (not included in Scope 1 or 2)	13,165	12,763
Category 5	Waste generated in operations	3,362	3,268
Category 6	Business travel	1,866	2,208
Category 7	Employee commuting	3,392	4,015
Category12	End of life treatment of sold products	3,163	4,105
Category13	Downstream leased assets	14,081	14,413

*Category 4, 8, 9, 10, 14, 15 are not applicable to our company.



(Listed separately) Kokusai Kogyo Corporation

Category	Emissions (t-CO ₂)		
	FY2019 (Base Year)	FY2023	
Scope 1	Direct emissions	1,523(t-CO ₂)	1,202(t-CO ₂)
Scope 2	Indirect emissions	3,961(t-CO ₂)	1,285(t-CO ₂)
Scope 3	Other indirect emissions	67,484(t-CO _{2e})	49,435(t-CO _{2e})

※FY2023 emissions include actual annual greenhouse gas emissions of Kokusai Kogyo before joining the Group(prior to December 2023).

Realization of a decarbonized society

Initiatives in Company Offices, Business Locations, etc.

■ Energy Conservation and Energy Creation in Construction Centers

At local construction centers, we have installed LED lighting, demand monitoring systems for power consumption, and rooftop solar power generators to promote energy conservation.

Total annual power generation by solar power generators at MIRAIT ONE Corporation offices



* The scope of aggregation was changed in FY2021.

■ Promotion of Energy Conservation and Transition Toward Renewable Energy

To reduce electricity consumption, which accounts for a large portion of energy consumption in offices, the entire Group is working together to promote multifaceted power-saving measures. They include: reducing the number of printers and copy machines, and using them more efficiently; setting PCs to a power-saving mode; optimum indoor temperature control; switching off unnecessary lighting; and raising awareness on using elevators less frequently.

The Group is working to transition to the use of renewable energy in different business locations. In FY 2023, the transition to renewable energy for our own buildings progressed to 63%.

■ Vehicles with better fuel efficiency/reduction of greenhouse gas emissions

In addition to accelerating the conversion to low-emission, fuel-efficient vehicles such as EVs and hybrids, we also promote “eco-driving,” which has a lower environmental impact and helps lower the number of traffic accidents, while utilizing cloud-type drive recorders. In addition, we are working to reduce greenhouse gas emissions through better fuel efficiency and company-wide educational campaigns on the use of fuel additives that cut greenhouse gas emissions. In FY 2023, we transitioned 24% of the general-purpose vehicles used for business operations to EVs and hybrid cars.



Promoting the use of EVs

Environmental Protection through Business Activities

■ Focusing on Green Energy Businesses as a Growth Driver

We aim to realize a decarbonized society by constructing, operating, and maintaining more efficient social infrastructures and advanced energy-related systems as part of our business activities, and by promoting the supply of renewable energy.

We contribute directly to creating energy infrastructure needed for a decarbonized society through Environmental and Social Innovation Business in the Corporate/Environmental and social Infrastructure domain. Specifically, this is performed through the design, construction, operation and maintenance of power generation systems that rely on solar power and other renewable energy sources, installation and maintenance of LED lighting and EV charging systems, supply of energy management and hydrogen fuel cell systems, and obtaining planner certification for ZEB (Net Zero Energy Building). We also take an active part in initiatives toward realizing high-efficiency smart energy systems and smart cities, in addition to developing broadband wireless sensor network systems.

Since FY 2023, which was the second year of the 5th Medium-Term Management Plan, we have set forth “Expansion of Green Energy Business” as one of the important growth drivers.

We will make corporate-wide effort on local government PPA, industrial power storage facilities, interconnection business, and hydrogen-related business, in addition to existing businesses related to solar power generation, EV battery chargers, and secondary cells, aiming for net sales of 30 billion yen from the green energy business in FY 2026.

■ Hydrogen Fuel Cell Power Plant Begins Operation in Minamisoma, Fukushima —Contributing to Carbon Neutrality for Offices and Stores with On-Site Power Generation Using Fixed FC Generators—

Under the materiality theme “Realization of a decarbonized society through business activities,” our company is actively seizing various business opportunities related to decarbonization to achieve carbon neutrality. Since July 2022, we have participated in the “Hydrogen-Powered Future City” project by Fukushima Prefecture and Toyota Motor Corporation, constructing a hydrogen fuel cell power plant equipped with fixed FC generators*. In September 2023, the facility was completed, initiating operations as a demonstration facility aimed at “reducing CO₂ emissions from offices and stores” and

preservation for BCP measures, heightening the performance of secondary cells by storing maximum amounts of surplus solar-generated electricity. Additionally, it promotes regular hydrogen use to quickly address peak electricity demand caused by seasonal heating and cooling needs. Furthermore, by partially utilizing hydrogen produced at the Fukushima Hydrogen Energy Research Field (FH2R) of the New Energy and Industrial Technology Development Organization (NEDO), we aim to reduce CO₂ emissions and promote local production and consumption of energy through solar power generation and clean hydrogen. Our company will use the insights gained from this demonstration to contribute to achieving carbon neutrality in offices and stores within Fukushima Prefecture using hydrogen. We will also accumulate expertise in the installation and use of fixed FC generators, proposing a societal implementation model combining solar power, secondary cells, hydrogen, and EV charging to expand the introduction of renewable energy, and contribute to realizing a decarbonized society.

*FC generators: Fuel cell generators



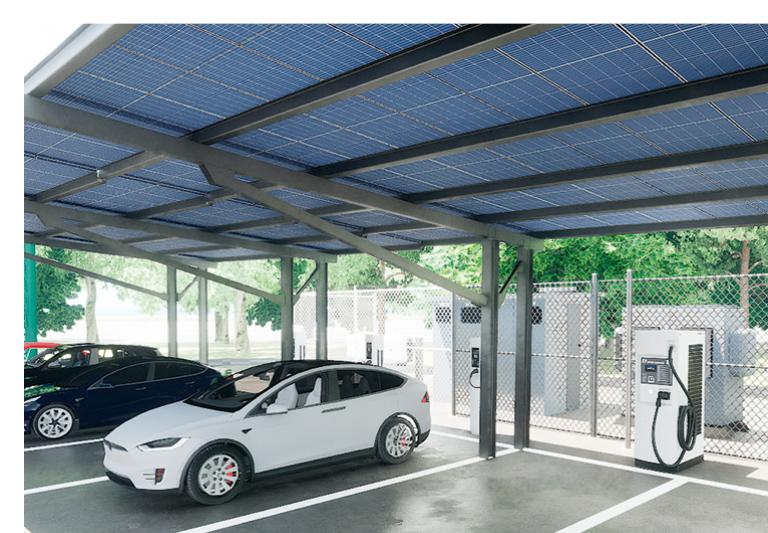
Installed FC generator

■ Introducing Advanced Green Solutions to Golf Courses

—Building a Next-Generation Solar Carport with 53.4% Energy Self-Sufficiency with Partner Companies—

Under the materiality theme “Realization of a decarbonized society through business activities,” our company is actively seizing various business opportunities related to decarbonization to achieve carbon neutrality. Since July 2022, we have participated in the “Hydrogen-Powered Future City” project by Fukushima Prefecture and Toyota Motor Corporation, constructing a hydrogen fuel cell power plant equipped with fixed FC generators*. In September 2023, the facility was completed, initiating operations as a demonstration facility aimed at “reducing CO₂ emissions from offices and stores” and “BCP measures (utilizing power during disasters)” through the use of fixed FC generators, solar power generation, and secondary cells.

This demonstration leverages hydrogen’s capacity for largescale storage and long-term preservation for BCP measures, heightening the performance of secondary cells by storing maximum amounts of surplus solar-generated electricity. Additionally, it promotes regular hydrogen use to quickly address peak electricity demand caused by seasonal heating and cooling needs. Furthermore, by partially utilizing hydrogen produced at the Fukushima Hydrogen Energy Research Field (FH2R) of the New Energy and Industrial Technology Development Organization (NEDO), we aim to reduce CO₂ emissions and promote local production and consumption of energy through solar power generation and clean hydrogen. Our company will use the insights gained from this demonstration to contribute to achieving carbon neutrality in offices and stores within Fukushima Prefecture using hydrogen. We will also accumulate expertise in the installation and use of fixed FC generators, proposing a societal implementation model combining solar power, secondary cells, hydrogen, and EV charging to expand the introduction of renewable energy, and contribute to realizing a decarbonized society.



Parking lot with next-generation solar carport installed



Distant view of the carport

*This project was implemented with the support of the “FY 2022 Subsidy for Projects to Reduce Carbon Dioxide Emissions” and the “Subsidy for Promoting the Introduction of Charging and Refueling Infrastructure for the Promotion of Clean Energy Vehicles.”

■ Constructing a Solar Power Generation Plant, As a Green Power Business Operator

We started the construction of a solar power generation plant in Fujinomiya City, Shizuoka Prefecture in September 2022. The plant started operation in March 2023, and started providing power to electricity retailers from April 2023.

This project not only builds and operates power generation facilities as the first green energy business in MIRAI (future) domains, but also significantly enhances our business domain by playing the role of a power generating company to gain lands, develop facilities, and sell power. Moving forward, we will work toward the enhancement of this

Enhancement of renewable energy businesses

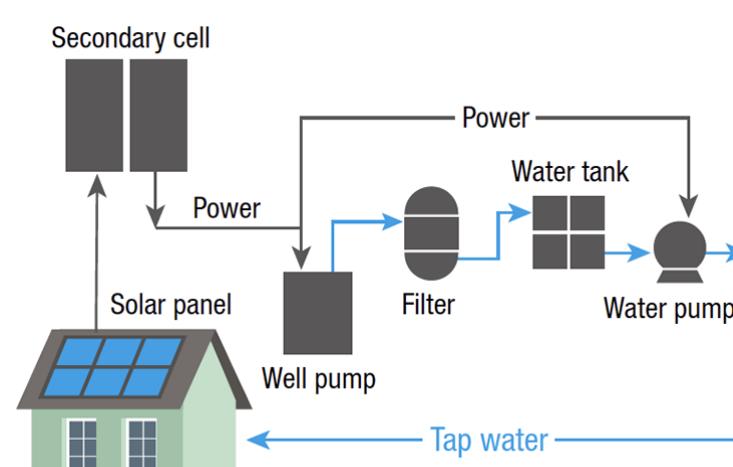


Power generation plant

■ Constructing Green Water-Supply Facility Robust over Natural Disasters

In Namie-machi, Fukushima Prefecture, the Group has been contributing to the renewal of the town through an EMS (Energy Management System) that bundles renewable energy generated locally by various devices including solar generators, wind generators, hydrogen-fuel cells, and solar heat collectors. From July 2022, the Group also started the construction of a green water-supply facility that is robust against natural disasters by combining solar power generation and secondary cells, and the facility started operation from March 2023. Power is supplied to water-supply machines such as well pumps and water-supply pumps from secondary cells that are charged from solar panels installed on roofs of houses. This water supply facility is also connected to the power grid of power companies, but this is for charging from the grid when power from solar power generation is cut off for a long time. It can continue to operate even in a disaster or power failure in which grid power is not available.

Also, even when solar power systems are not generating power, the system provides power from secondary cells for at least 72 hours, contributing to the safety and security of the local community.



Water-supply facility that combines solar power generation and secondary cells



Secondary cell facility

■ Commended by a Supplier for Our Secondary Cell Business

In April 2023, MIRAIT-X Corporation, one of group companies, received Customer Service Excellence Award from TESLA for its excellent services in sales and construction that involves Powerwall, TESLA's secondary cell system.

Moving forward, we will enhance sales in the green energy business by conducting the construction, maintenance, and operation of facilities that use secondary cells and accumulating expertise and know-how in this field.

**Contributing to Circular Society****Contributing to Circular Society**

The MIRAIT ONE Group will reduce geoenvironmental impact by properly disposing of industrial waste generated from our business operations on our own responsibilities

■ Establishing Policy on Disposal of Industrial Waste

In order to translate resource recycling and waste reduction efforts into sustainable growth and enhanced corporate value, the Group has established targets on the Industrial waste final disposal ratio for FY 2030 in its 5th Medium-term Management Plan that begins in FY 2022. In July 2022, the "MIRAIT ONE Group Policy on disposal of industrial waste" was established to develop this initiative into effective policies.

Non-financial Targets of the 5th Medium-Term Management Plan

Industrial waste final disposal ratio (FY 2030)

Below **1.5%**

FY 2022	FY 2023
3.41%	2.28%

■ Recycling Construction By-products

We continuously work to minimize construction by-products generated at each construction site and to find ways to recycle by-products that are generated. As part of that effort, we launched an initiative in 2008 in the telecommunications construction industry to transition from conventional, disposable wooden drums for winding steel stranded wire to reusable ECO drums. Today, ECO drums are used for most drum sizes.



ECO drums

■ Promoting Recycling of Used Construction Products

We collect used uniforms and helmets to promote recycling through material processing (to be reused as new raw materials).

■ Reducing Paper Use

MIRAIT ONE Corporation promotes specific measures and initiatives to reduce paper use by using less paper at meetings, eliminating the need to stamp paper documents and reforming business processes.

■ Green Procurement

The Group promotes green procurement of paper and stationery with a target green procurement rate of 80% to be achieved by the end of fiscal 2025. The result in FY 2023 was 85.4%.

Environmental Management**■ Conformance to ISO 14001**

Each of our Group companies complies with and practices environmental management system (ISO 14001) and all business locations of MIRAIT ONE Corporation are certified. Each business location evaluates the environmental impact of its operations, formulates measures to address significant environmental impacts, and implements a PDCA cycle for continuous improvement. Over the nine years from 2015 to 2023, our Group companies in Japan have reported zero cases of the violation of environmental laws and regulations, accidents/ pollution that leads to environmental problems, or complaints about environmental problems.

Furthermore, in PDCA of these environmental protection activities, the actual values of our main performance indicators (CO2 emission (electricity consumption and consumption of fuels such as gasoline and kerosene), industrial waste final disposal ratio, and green purchasing payments) are utilized for monitoring and analysis. In summer and winter, when electricity consumption increases, each workplace implements its own targets to reduce power consumption based on the actual values of performance indicators.

■ Green Procurement

In FY 2017, our company established "Green Product Development Guidelines," which outline the items to be considered in the development stages to protect the global environment. In the development of construction methods, products and services, we

■ Environmental Standards for Evaluating and Selecting Business Partners

As part of our integrated management system, we evaluate and select our business partners in order to ensure their compliance with our product requirements by determining whether they are capable of supplying products and services that satisfy our requirements. Specifically, suppliers whose transaction value exceeds the predetermined amount are evaluated based on the Supplier Evaluation Criteria Table, which is shared across the Company.

The evaluation items include items related to quality, deadline, and management, as well as items dedicated to the environmental area (E) of ESG, such as ISO 14001 certification and efforts to reduce environmental impact.

Items subject to supplier score evaluation

Control items	Evaluation items
Deadline	Adherence to deadline and delivery
Environmental protection	Reduction of environmental load
Quality	Existence of defects
Improvement activities	Initiatives for improvement activities
Data asset management	Establishment of data asset management system
Management	Management stability

Initiative for Water Resources

Contribution to the Reduction of Water Risks and Effective Use of Water Resources

The Group considers water risks to be as significant as climate change risks, and is working to provide various solutions primarily in the construction and maintenance of water infrastructures. The Group considers these efforts as examples of business-based contribution to the reduction of water risks and effective use of water resources.

■ Providing DX Promotion Solution for Water and Sewerage Construction

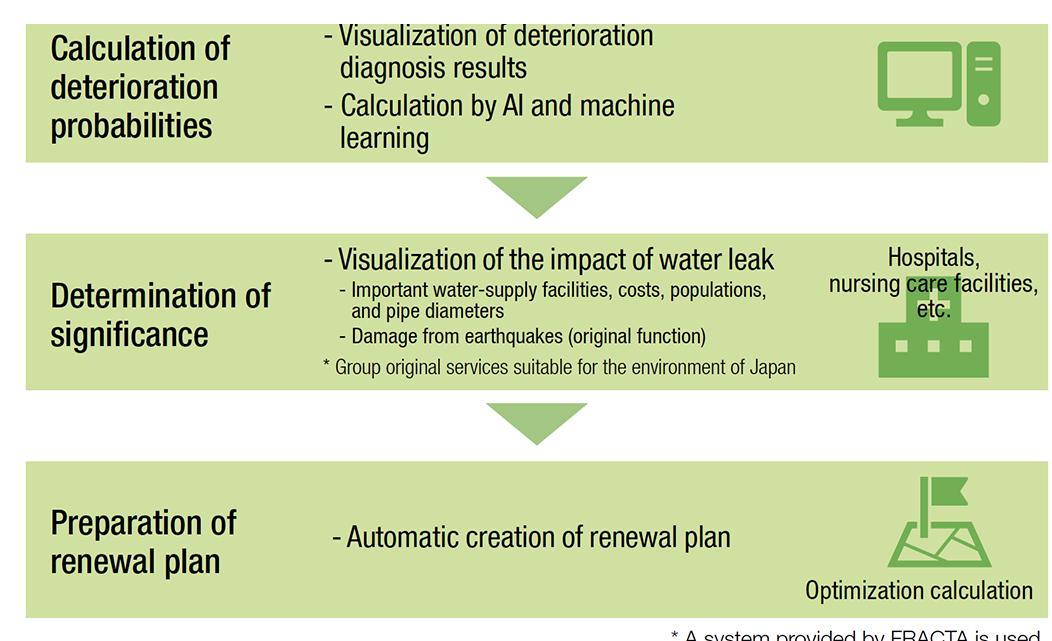
There is a global rise in the importance of measures against water risks and the effective use of water resources, and also there are serious domestic problems of the aging of social infrastructures and the decrease of working population. Under these circumstances, the Group conducts water engineering business of several billion yen every year to support stable and continuous operation of water infrastructures and the effective use of water resources.

The MIRAIT ONE Group provides “full value” solutions from planning and design to maintenance and operation, focusing primarily on solutions that contribute to the long-term operation, quality maintenance, and management efficiency targeted by Water PPP*1. Through the following five solutions, we offer environmental value related to water resources.

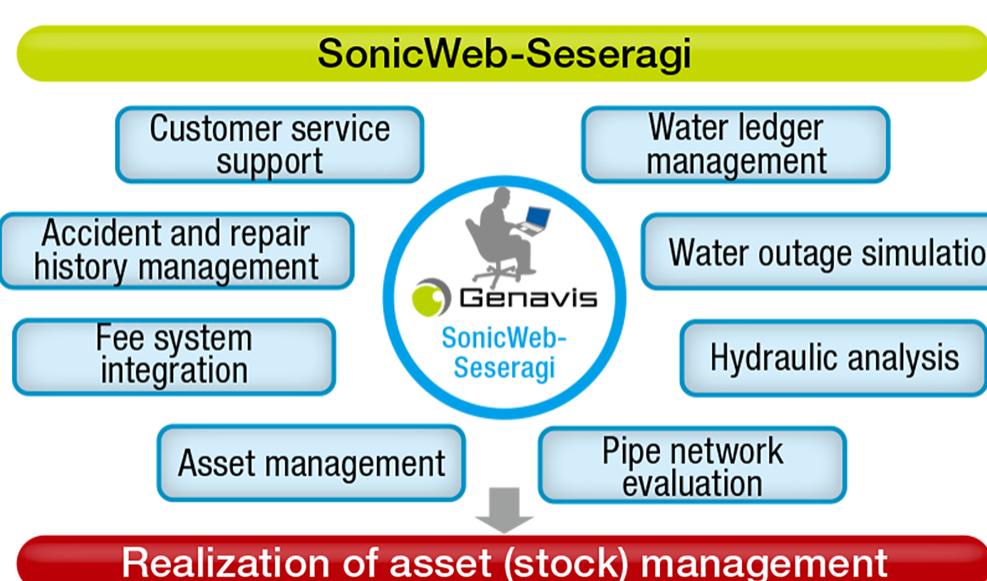
*1 A public-private partnership model in the water sector, including water supply, industrial water supply, and sewerage, which is a general term combining the concession (public facility operation business) model and the “maintenance and renewal integrated management model.”

(1) Solution for deterioration prediction, impact evaluation, and planning of water pipe renewal

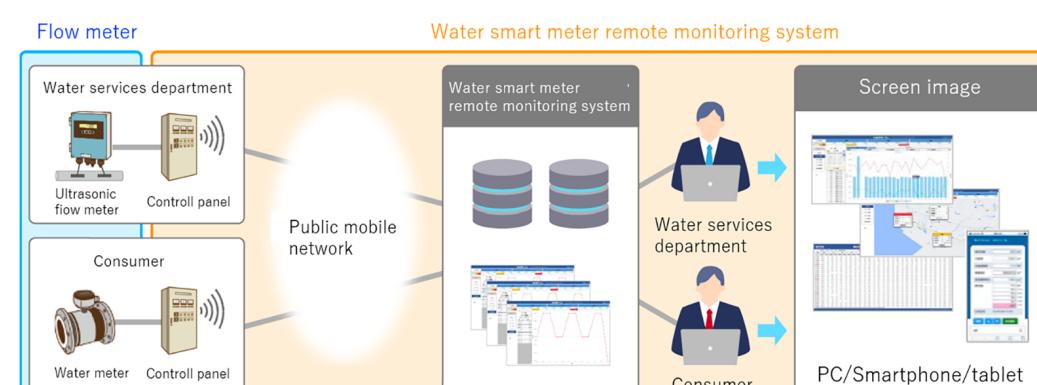
The solution estimates breakage risks and deterioration conditions by algorithms of AI and machine learning that use customers' data of water pipe path facilities and water leak records. The solution provides a map display of business risks that would be caused by water leak, and automatically creates action plans in consideration of costs.

**(2) Water supply facility data management system (SonicWeb-Seseragi)**

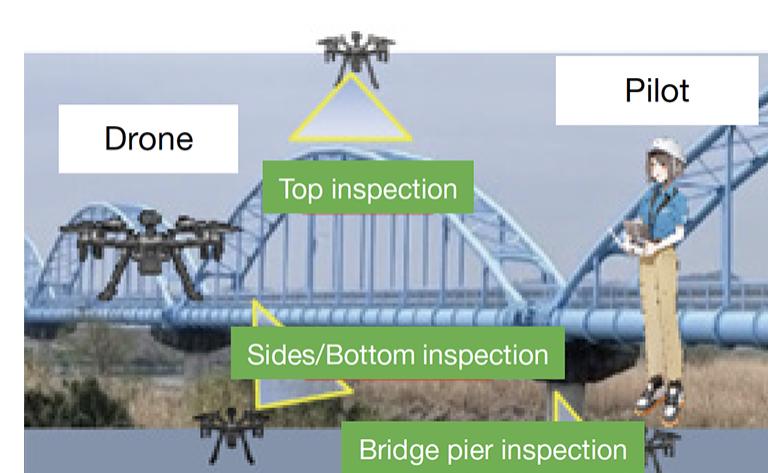
This is a feature-rich package software developed to achieve asset management. It supports the operations of water utilities, streamlining and advancing their processes.

**(3) Water-supply smart meter solution**

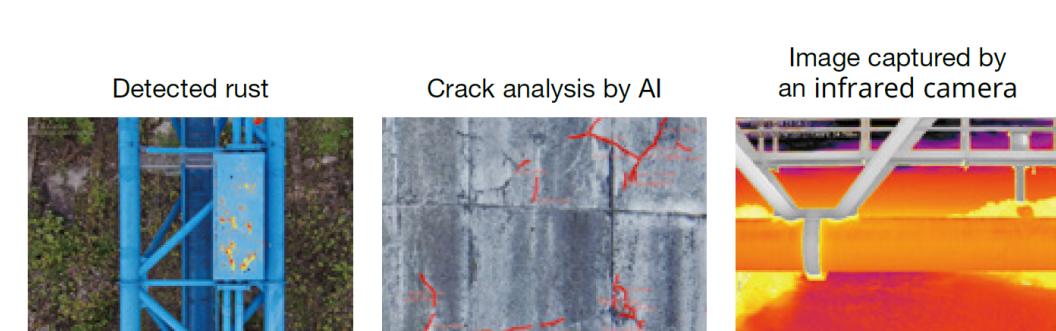
It enables the streamlining of flow management operations and quicker trouble response through remote monitoring and remote meter reading for industrial water. Additionally, it achieves paperless operations and centralized flow and reporting management through the use of applications.

**(4) Solution for water pipe bridge inspection using drones**

This solution contributes to the prevention of water leak and pipe breakage caused by the aging of water-supply facilities using drones and ICT technology.



AI is used to analyze data and infrared camera images captured by drones to detect rust and concrete cracks.

**(5) Water civil engineering**

We will utilize data obtained by the above solutions to propose efficient construction and renewal of water facilities, including water pipe construction and the building of water and sewerage.

Contribution to resilient urban and regional development**Minimizing the Impact of Disasters and Accidents**

The MIRAIT One Group contributes to the creation of sustainable cities and regions through the construction of environmentally friendly and resilient social infrastructure by utilizing the Group's technologies in a wide range of fields, including telecommunications, IoT, ICT, electricity, energy, and civil engineering. In particular, we recognize that the Group plays a major role in ensuring the safety of the

areas damaged by torrential rains in August 2021, Typhoon No. 10 in September 2020, and Typhoons No. 15 and 19 in September and October 2019.

Creating Information and Communication Infrastructures That Can Withstand Natural Disasters

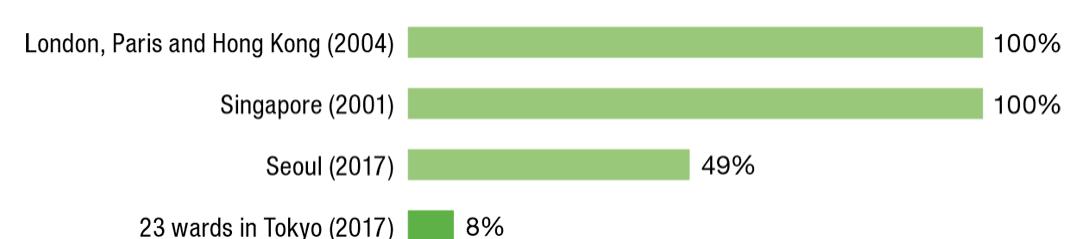
The proper functioning of information and communication networks is an integral element in people's lives and industrial and economic activities. The MIRAIT ONE Group has emphasized its consistent commitment to the construction and operation of information and communication infrastructures that can withstand natural disasters, including wind and flood damage, and earthquakes.

An example is our focus on the initiative to lay power lines underground to eliminate utility poles that can be damaged or knocked down by earthquakes and typhoons. A landmark project of MIRAIT ONE Corporation involves the construction of underground power lines to eliminate utility poles in Ponto-cho, a signature scenic area in Kyoto. In consideration of the narrow roads in the area, a new construction method (small box method) was adopted for the first time in Japan. Officials from many municipalities, including the Tokyo Metro-politan Government, have visited the site to witness the new construction method that requires less cost and a shorter construction period than conventional methods.



Given the low proportion of underground power lines in Japan, the potential for business chances in this domain remains high (see the graph below). We will continue to capture growth opportunities by creating information and communication infrastructures that can withstand natural disasters.

Proportion of underground power lines in the world



Source: Compiled by MIRAIT ONE Corporation based on data provided by the Ministry of Land, Infrastructure, Transport and Tourism.

Disaster Response Using Drone Technology

Leveraging its experience in infrastructure maintenance and disaster response using drones, the MIRAIT ONE Group launched, in October 2021, services for water pipeline bridge inspection offered by MiratecDrone. The services are designed to deal with the increasing number of water leakage and damage accidents resulting from the aging of water facilities. The services materialized following a demonstration test conducted in collaboration with the Sakai City Waterworks and Sewerage Bureau in February 2020. The parties have promoted the practical application of this technology after the test revealed that drones can accurately identify cracks on the pipe exterior surface, peeling paint, rust conditions, cracks in concrete on bridges and other anomalies.



Inspecting a water pipe bridge using drone

In December 2021, the company signed the "Agreement on Emergency Disaster Response Activities Using Unmanned Aircraft (photography, etc.)" with the Ministry of Land, Infrastructure, Transport and Tourism. Based on an agreement signed between the MLIT's Omiya National Highway Office and seven companies including our company, drones will be mobilized immediately when an earthquake beyond intensity 6 lower strikes in the 23 Tokyo wards. Drones are used to assess damage on the assigned routes to aid road restoration and early recovery of damaged facilities. Their aim is to enable

with Tokyo's Koto Ward to assess damage to civil engineering facilities in the ward in the event of a disaster. The exercise is based on the "Agreement on Cooperation for Assistance Using Unmanned Aircraft in Times of Disaster" signed with Koto Ward in July 2020. In the event of a large-scale disaster, our company, along with MiratecDrone, will immediately mobilize drones at the request of the ward to inspect roads, bridges and other civil engineering facilities in the ward to quickly assess the extent of damage.



Exercise in action

Biodiversity Preservation Initiatives

The Group, whose materiality is "contributing to the creation of environmentally friendly and resilient towns and villages," is committed to the realization of a sustainable society that also takes biodiversity into consideration, including the preservation of ecosystems, through its business activities as well as through social contribution activities.

■ 「MIRAIT ONE Group Action Guidelines on Biodiversity and Natural Capital」

Our group is implementing initiatives related to the conservation of the natural environment and biodiversity, including climate change measures through the reduction of GHG emissions. In order to clarify awareness within the group and to further promote initiatives related to biodiversity and natural capital in all corporate activities in collaboration with various stakeholders, we have established the "MIRAIT ONE Group Action Guidelines for Biodiversity and Natural Capital."

「MIRAIT ONE Group Action Guidelines on Biodiversity and Natural Capital」

■Basic Philosophy

The MIRAIT ONE Group will respect nature and harmonize with the global environment, promote biodiversity conservation and sustainable use of natural capital from a global perspective, and contribute to the realization of a sustainable society through its business activities.

■Action Guidelines

1. Integrated efforts in business activities

Manage dependence and impacts on biodiversity and natural capital in all business activities, including the value chain, and promote conservation and restoration, decarbonization, resource recycling, and effective use of water resources.

2. Procurement of materials, etc.

Promote sustainable material procurement with partner companies in consideration of biodiversity and natural capital, including prevention of air pollution, deforestation, and water pollution in all business activities.

3. Collaboration with administrative organs, research institutions, and external organizations

Disclose activities related to the sustainable use of biodiversity and natural capital, and collaborate with customers, administrative organs, local communities, and other stakeholders to promote harmonious coexistence with local communities and nature.

4. Promoting understanding through environmental education

Recognize the importance of sustainable use of biodiversity and natural capital through internal and external environmental education, and work with employees and partner companies to promote the deployment of this recognition in business activities.

5. Research and development

Promote research and technology development that contributes to the conservation and sustainable use of biodiversity and natural capital.

Date of enactment: March 17, 2025

MIRAIT ONE Corporation

Toshiki Nakayama, President and Chief Executive Officer

Nature-related Financial Disclosures (TNFD)^{1*} and applied to join the TNFD Forum^{2*} to support its activities.



Among the nine materialities of sustainability, the materialities are “Realization of a decarbonized society through business activities” and “Contribution to the creation of environmentally friendly and resilient cities and regions,” and we are implementing measures to combat climate change by reducing greenhouse gas emissions, as well as to conserve the natural environment and biodiversity. We will continue our efforts to conserve biodiversity and natural capital. We will analyze the risks and opportunities that biodiversity and natural capital pose to our business and promote sustainability initiatives and information disclosure.

*1 An international initiative established in June 2021 as a framework for non-financial information disclosure in the environmental field.

*2 A group of stakeholders who support TNFD discussions.

We will continue to prepare for the disclosure of information on biodiversity and natural capital of our group and promote further sustainability initiatives.

■ MIRAIT ONE MAI Initiatives

The MIRAIT ONE Group supports the “rice farming” initiative led by our partner company, MURAYAMA CONSTRUCTION CO, LTD., which aims to preserve ecosystems, transition to environmentally-friendly agriculture, address the increase in abandoned farmland such as terraced rice fields, and preserve the original landscape of satoyama. We continue to assist with some of the agricultural work through volunteer efforts by our group employees. Moving forward, we plan to introduce the “Appare” farming support service provided by our group company, Kokusai Kogyo Co., Ltd., to further reduce farming workload. The rice harvested from the “MIRAIT ONE Rice Production Area” in Tokamachi City, Niigata Prefecture, will be sold in limited quantities as “MIRAIT ONE rice” to stakeholders and offered as a shareholder benefit. Our group will continue to engage in activities like these to contribute to biodiversity conservation.



Rice planting work



Sun-drying work



Rice harvesting work



MIRAIT ONE MAI

[Back to ESG top !\[\]\(55565783cc6bed40097b4839bf03f6a2_img.jpg\)](#)

•Corporate

- Overview
- Business
- Organization
- Board member
- History
- Integrated management system
- Top message
- Purpose / Mission / Vision
- Management plan

•ESG

- Top message
- Activities
- Environment
- Social
- Governance
- Diversity & Inclusion
- Health management action
- External evaluation
- Data

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