



# Second Quarter of FYE March 2012 Briefing Material on Semiannual Results

November 15, 2011

MIRAIT Holdings Corporation

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# I Financial Results

Second Quarter of FYE March 2012

MIRAIT Holdings Corporation

# I Financial Results Second Quarter of FYE March 2012

## 1. Second Quarter of FYE March 2012 Financial Results

Billions of yen	Topics		
	Actual	YoY	Comparison to initial plan
Orders received	117.0	(3.6) [(3.0%)]	1.1 [1.0%]
Net sales	101.0	(10.2) [(9.2%)]	(9.9) [(9.0%)]
Operating income	0.2	(1.2) [(86.4%)]	(1.6) [(89.3%)]
Operating income ratio	0.2%	(1.1p)	(1.5p)
Ordinary income	0.7	(1.1) [(61.0%)]	(1.3) [(66.3%)]
Ordinary income ratio	0.7%	(0.9p)	(1.2p)
Net income	0.5	(0.0) [(11.1%)]	(0.6) [(51.3%)]
Net income ratio	0.6%	0.0p	(0.5p)

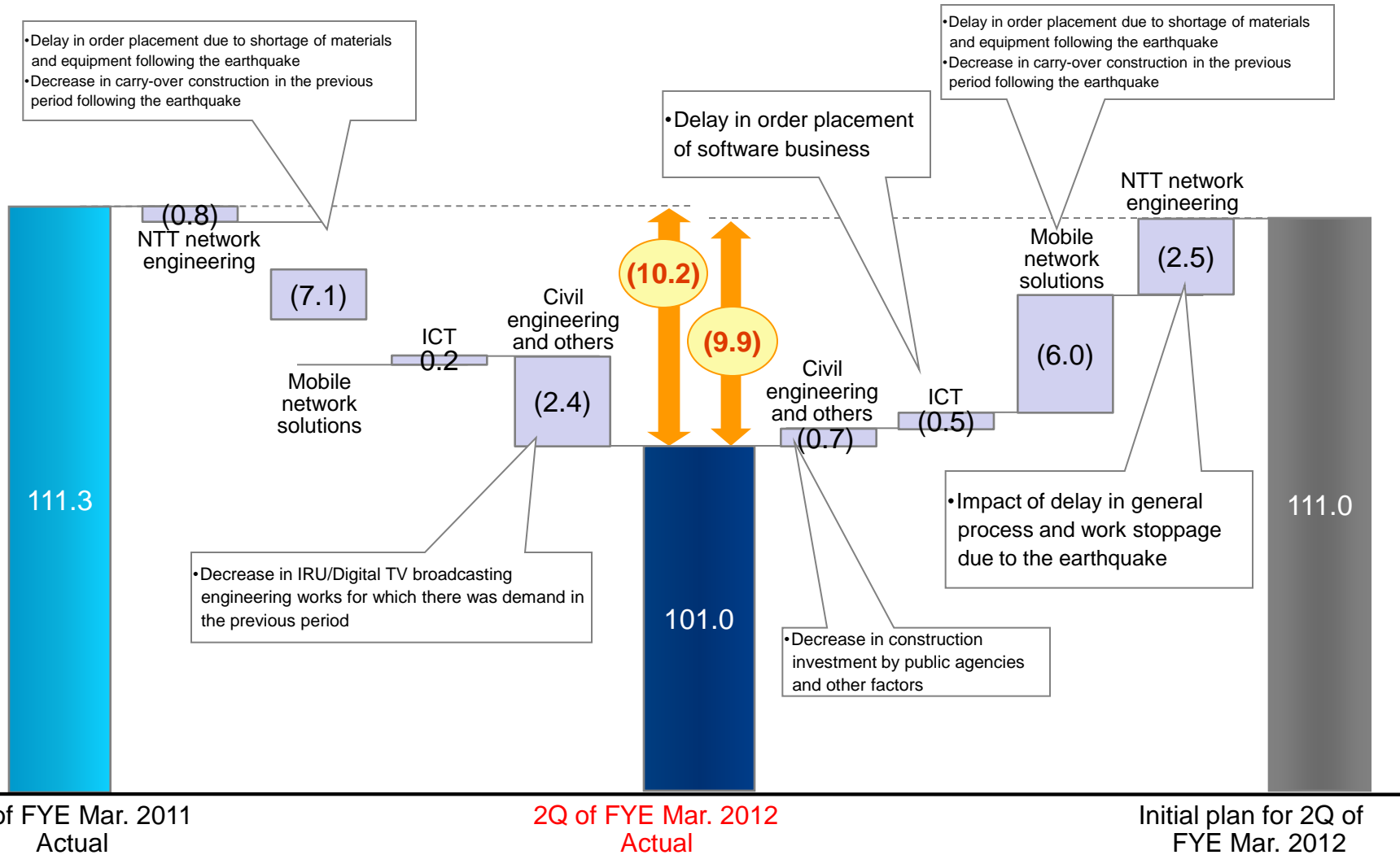
<ul style="list-style-type: none"> <li>Because of a decrease in construction carried over from the previous period due to the impact of the Great East Japan Earthquake and delay of capital expenditures by telecommunications carriers, the Group's main clients, into the second half of the fiscal year, net sales and operating income fell short of the initial plan.</li> <li>The amounts of emergency restoration and orders related to restoration from the disaster amounted to about 5.0 billion yen for the first half of the fiscal year, and orders received exceeded the initial plan.</li> </ul>																				
<p><b>[Reference]</b></p> <p><u>Second Quarter of FYE March 2011 Actual</u> (Billions of yen)</p> <table border="0"> <tr><td>Orders received</td><td>120.6</td></tr> <tr><td>Net sales</td><td>111.3</td></tr> <tr><td>Operating income</td><td>1.4</td></tr> <tr><td>Ordinary income</td><td>1.8</td></tr> <tr><td>Net income</td><td>0.6</td></tr> </table> <p><u>Second Quarter of FYE March 2012 Plan</u> (Billions of yen)</p> <table border="0"> <tr><td>Orders received</td><td>115.9</td></tr> <tr><td>Net sales</td><td>111.0</td></tr> <tr><td>Operating income</td><td>1.9</td></tr> <tr><td>Ordinary income</td><td>2.1</td></tr> <tr><td>Net income</td><td>1.2</td></tr> </table>	Orders received	120.6	Net sales	111.3	Operating income	1.4	Ordinary income	1.8	Net income	0.6	Orders received	115.9	Net sales	111.0	Operating income	1.9	Ordinary income	2.1	Net income	1.2
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\*Due to pre-incorporation of the Company, year-on-year comparison is made with the total figures of consolidated operating results of DAIMEI TELECOM ENGINEERING CORP., Commutere Corp. and TODENTSU Corporation for the previous second quarter.

# I Financial Results Second Quarter of FYE March 2012

## 2. First Half of FYE March 2012 Details of Net Sales [Compares YoY/Plans]

(Billions of yen)

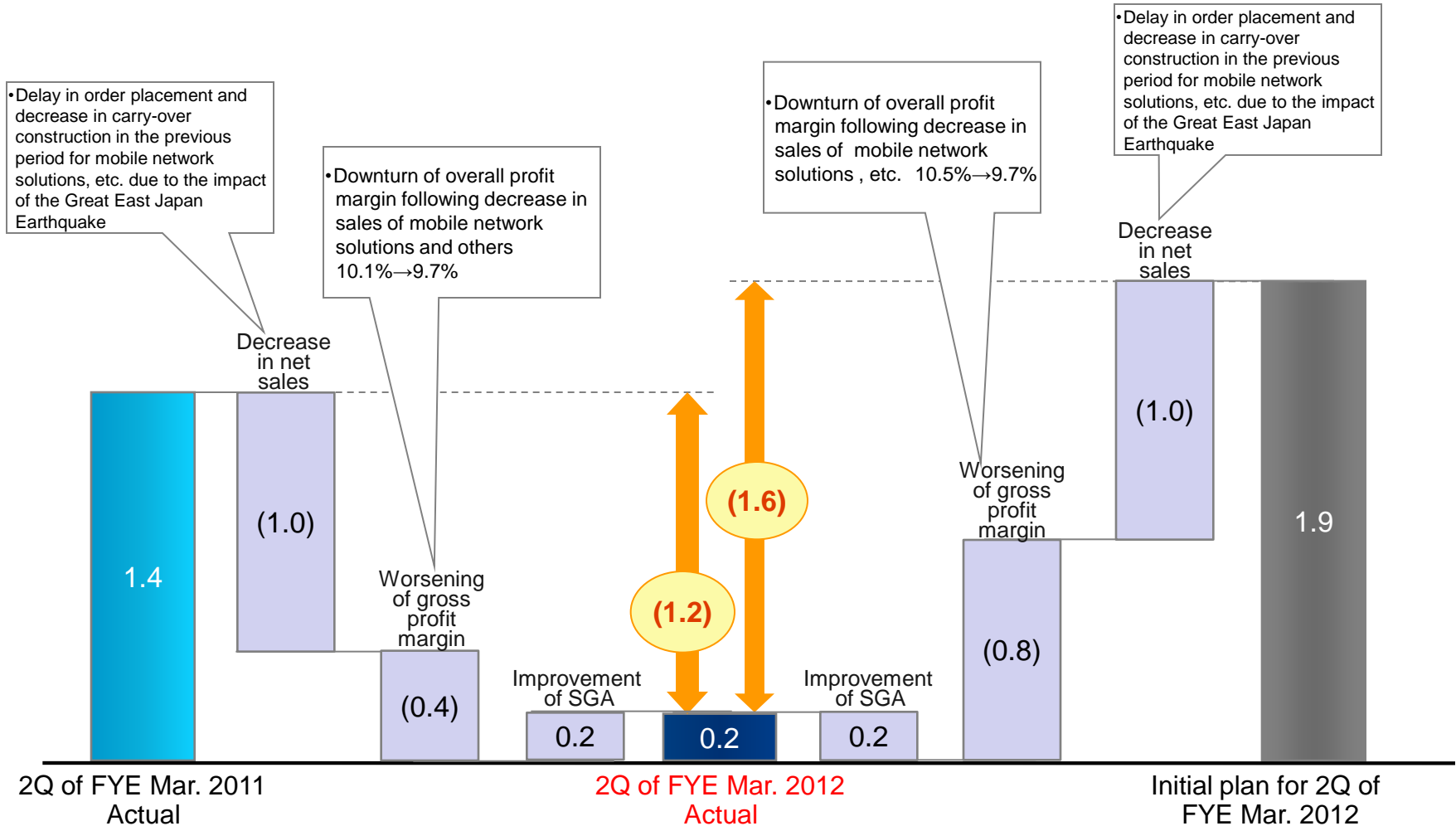


\* Due to pre-incorporation of the Company, FYE March 2011 Actual is calculated by adding up consolidated operating results of DAIMEI TELECOM ENGINEERING CORP., Commutere Corp. and TODENTSU Corporation for the previous second quarter.

# I Financial Results Second Quarter of FYE March 2012

## 3. First Half of FYE March 2012 Details of Operating Income [Compares YoY/Plans]

(Billions of yen)



\* Due to pre-incorporation of the Company, FYE March 2011 Actual is calculated by adding up consolidated operating results of DAIMEI TELECOM ENGINEERING CORP., Commutur Corp. and TODENTSU Corporation for the previous second quarter.

## 4. Assets, Liabilities and Net Assets

- High equity ratio at 71.0%
- Current assets and liabilities decreased due to collection of accounts receivable from completed construction contracts and payment of accounts payable for construction contracts at year-end. Total assets therefore decreased from 148.3 billion yen to 138.4 billion yen, while liabilities decreased from 47.5 billion yen to 37.9 billion yen. Cash and deposits, etc., on the other hand, increased from 19.0 billion yen to 25.8 billion yen

End of March 2011  
MIRAIT Consolidated B/S

<p style="text-align: center;"><b>Assets</b></p> <p style="text-align: center;"><b>148.3 billion yen</b></p> <p>(Breakdown in billion yen)</p> <p>Current assets 102.7 (incl. cash and deposits, etc. 19.0 billion yen)</p> <p>Noncurrent assets 45.5</p>	<p><b>Liabilities</b></p> <p><b>47.5 billion yen</b></p> <p>(incl. interest-bearing debt 0.6 billion yen)</p>
	<p><b>Net assets</b></p> <p><b>100.7 billion yen</b></p> <p>(Breakdown in billion yen)</p> <p>Capital stock 7.0 Capital surplus 26.7 Retained earnings 66.4 (incl. negative goodwill 26.8)</p> <p>Treasury stock (1.6) Minority interests 2.1</p>

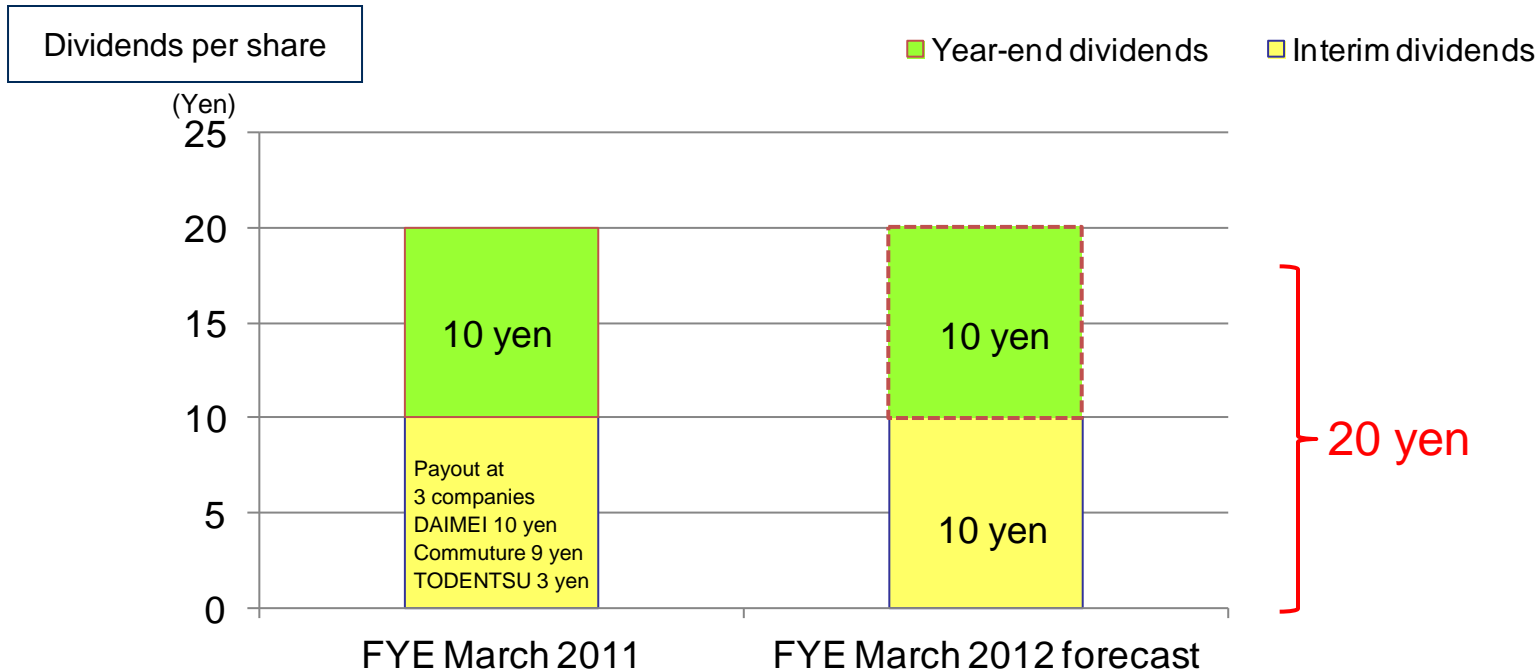
End of September 2011  
MIRAIT Consolidated B/S

<p style="text-align: center;"><b>Assets</b></p> <p style="text-align: center;"><b>138.4 billion yen</b></p> <p>(Breakdown in billion yen)</p> <p>Current assets 94.6 (incl. cash and deposits, etc. 25.8 billion yen)</p> <p>Noncurrent assets 43.7</p>	<p><b>Liabilities</b></p> <p><b>37.9 billion yen</b></p> <p>(incl. interest-bearing debt 0.3 billion yen)</p>
	<p><b>Net assets</b></p> <p><b>100.4 billion yen</b></p> <p>(Breakdown in billion yen)</p> <p>Capital stock 7.0 Capital surplus 25.9 Retained earnings 67.0 Treasury stock (1.6) Minority interests 2.1</p>

Equity  
98.3 billion yen  
Equity ratio  
71.0%

## 5. Returns to Shareholders

- Basic dividend policy is to conduct stable dividend payouts in consideration of business results and payout ratio
- Based on the above, interim dividend for FYE March 2012 was 10 yen per share. Annual dividend will remain at 20 yen per share
- Continue special benefit plan for shareholder  
Present a 1,000 yen worth gift card across the board to shareholders holding more than 100 shares as of March 31, 2012







## II FYE March 2012 Business Plans

MIRAIT Holdings Corporation

# II FYE March 2012 Business Plans

## 1. FYE March 2012 Full Year Plan

Billions of yen	Full year plan	YoY	Second half of FYE March 2012 plan	Compared with the second half of FYE March 2011
Orders received	257.2	15.9 [6.6%]	140.1	19.4 [16.1%]
Net sales	251.6	5.0 [2.0%]	150.5	15.2 [11.3]
Operating income	7.6	2.7 [55.1%]	7.3	3.9 [111.9%]
Operating income ratio	3.0%	1.0p	4.9%	2.3p
Ordinary income	8.0	2.3 [40.4%]	7.2	3.3 [87.2%]
Ordinary income ratio	3.2%	0.9p	4.8%	1.9p
Net income	4.7	(25.9) [(84.6%)]	4.1	(25.8)
Net income ratio	1.9%	(10.5p)	2.7%	(19.4p)

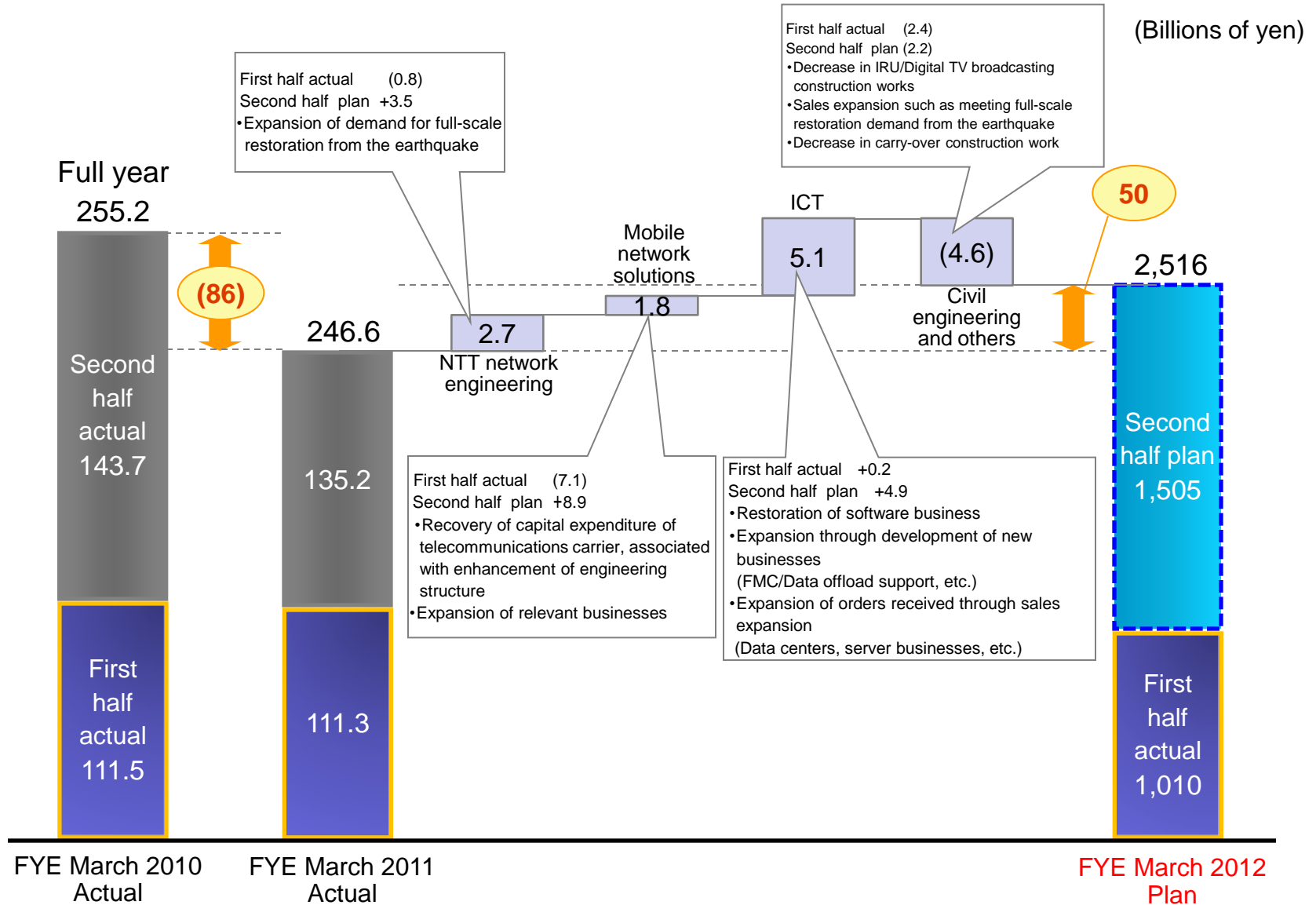
\*Actual figures of FYE March 2011 are based on total amounts of business results of DAIMEI TELECOM ENGINEERING CORP., Commutere Corp. and TODENTSU.

The impact of "negative goodwill" of 26.8 billion yen is included in actual figures (net income) of FYE March 2011.

Topics																				
<ul style="list-style-type: none"> <li>Concerning the full year plan, since recovery of capital expenditure by telecommunications carriers and restoration works after the Great East Japan Earthquake are expected in the second half of the fiscal year, <b>there is no change from the initial plan in terms of net sales and operating income</b></li> <li>In particular, in order to meet largely restored demand for mobile network solutions, for which orders had been delayed, strengthen engineering structure of the Company to achieve the plan</li> <li>Strive to enhance sales in each business, proactively engage in order acceptance activities, and work to improve profitability by carrying out productivity enhancement measures</li> </ul>																				
<p>[Reference]</p> <p>Full year actual for FYE March 2011 (Billions of yen)</p> <table border="0"> <tr><td>Orders received</td><td>241.3</td></tr> <tr><td>Net sales</td><td>246.6</td></tr> <tr><td>Operating income</td><td>4.9</td></tr> <tr><td>Ordinary income</td><td>5.7</td></tr> <tr><td>Net income</td><td>30.6</td></tr> </table> <p>Second half actual for FYE March 2011 (Billions of yen)</p> <table border="0"> <tr><td>Orders received</td><td>120.6</td></tr> <tr><td>Net sales</td><td>135.2</td></tr> <tr><td>Operating income</td><td>3.4</td></tr> <tr><td>Ordinary income</td><td>3.9</td></tr> <tr><td>Net income</td><td>29.9</td></tr> </table>	Orders received	241.3	Net sales	246.6	Operating income	4.9	Ordinary income	5.7	Net income	30.6	Orders received	120.6	Net sales	135.2	Operating income	3.4	Ordinary income	3.9	Net income	29.9
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# II FYE March 2012 Business Plans

## 2. Plans for FYE March 2012 Details of Net Sales [3 terms comparison]

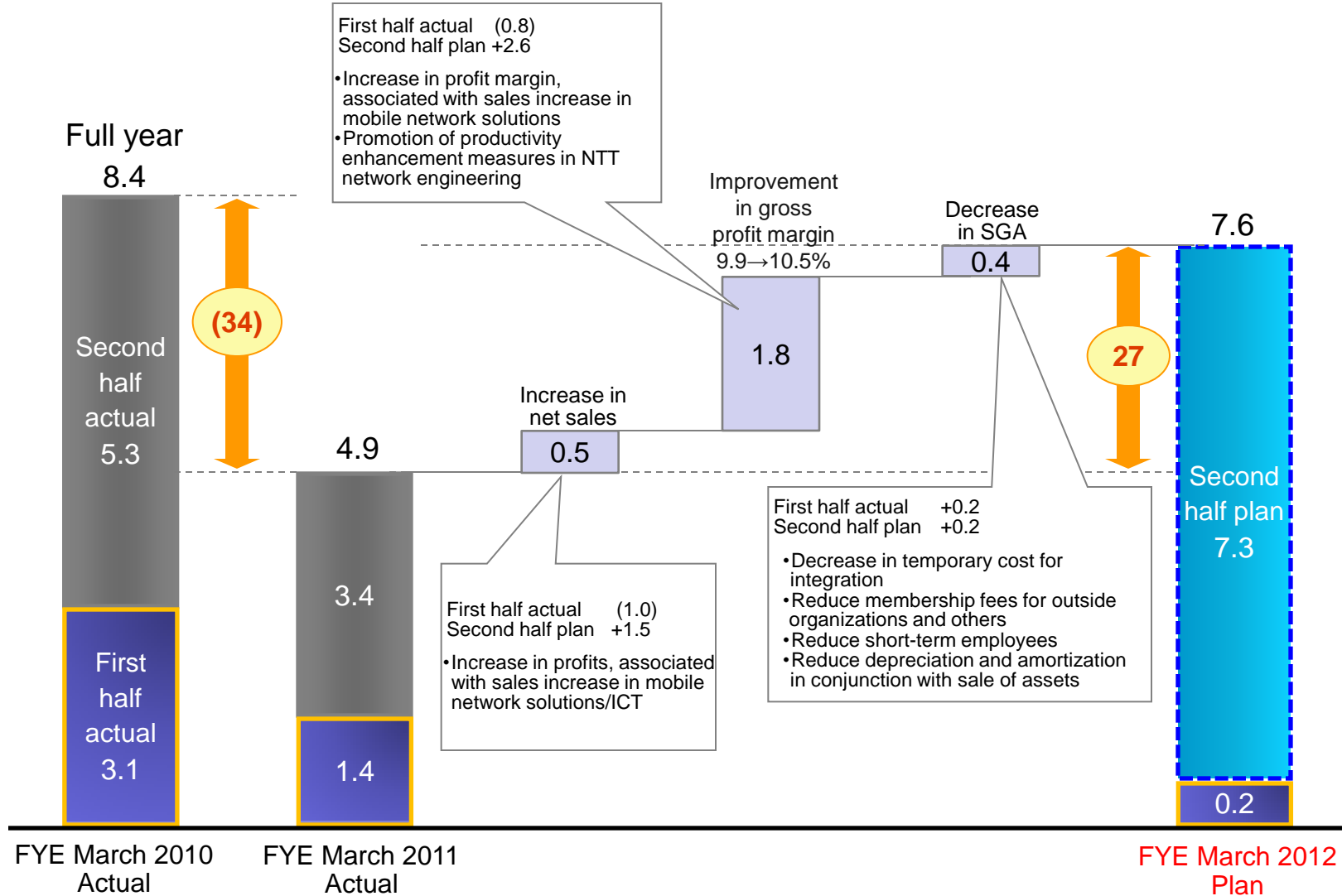


\*Figures of FYE March 2010 and FYE March 2011 are on the full year total basis.

# II FYE March 2012 Business Plans

## 3. Plans for FYE March 2012 Details of Operating Income [3 terms comparison]

(Billions of yen)



\*Figures of FYE March 2010 and FYE March 2011 are on the full year total basis.

## 4. Medium-term Management Plan [FY2010-FY2013 targeted]

### <Policy>

- Make effort to implement structural change of business portfolio aiming to become a comprehensive engineering & service company
- Achieve integrated operations of the Group promptly through business restructuring, and gain synergistic effects through reinforcing competitiveness
- Develop human resources and reinforce technological capabilities in each business to expand to new business areas

### <Plan>

- Aim to have **280.0 billion yen net sales and 12.0 billion yen operating income** in 2013 (4 years after incorporation as the holding company)
- Make efforts to increase net sales, improve productivity of existing businesses, reduce SGA, and aim to **increase the gross profit margin from 9.9% in FY 2010 to 11.4% and decrease SGA from 7.8% in FY 2010 to 7.1% (in particular, decrease general and administrative expenses from 5.3% to 4.3%)** and to aim to have an earnings growth of **7.1 billion yen in operating income basis**

	FY2010	FY2011	FY2013
Net sales	246.6 billion yen	251.6 billion yen	280.0 billion yen
-NTT	110.0 billion yen	112.8 billion yen	100.0 billion yen
-Mobile	68.1 billion yen	70.0 billion yen	80.0 billion yen
-ICT	25.6 billion yen	30.8 billion yen	50.0 billion yen
-Civil engineering	42.6 billion yen	38.0 billion yen	50.0 billion yen
Operating income	4.9 billion yen	7.6 billion yen	12.0 billion yen
Operating income ratio	2.0%	3.0%	4.2%

\* Figures of FY2010 is on the full year total basis



# Ⅲ Influences of Great East Japan Earthquake and Efforts for Restoration

MIRAIT Holdings Corporation

## 1. Initiatives by Business Sector

	Initiatives up to the present	Future outlook
NTT network engineering	<ul style="list-style-type: none"> <li>➤ Installation of special public phones (Miyagi and Fukushima Prefectures)</li> <li>➤ Inspection/survey of facilities, designing of transmission channels (relay-type optical lines) and restoration work (Kesenuma, Minamisanriku along with Kamaishi, Ofunato areas)</li> </ul>	<ul style="list-style-type: none"> <li>➤ Plan <b>recovery and restoration work for access and relay optic fibers, installation of access lines to stations, under-river cable installation, etc.</b> (Kesenuma, Ofunato, Shizugawa, Iwaki, and other areas)</li> <li>➤ <b>Expected amount of orders to be received for the current fiscal year</b> <b>4.4 billion yen</b></li> </ul>
Mobile network solutions	<ul style="list-style-type: none"> <li>➤ Temporary/emergency restoration work (Miyagi, Fukushima, and Iwate Prefectures) <ul style="list-style-type: none"> <li>• Temporary restoration of base stations with emergency power generators and others, and implementation of inspection/survey of base station facilities</li> <li>• Transport, installation and operation support of mobile base station vehicles</li> </ul> </li> <li>➤ Full restoration/reconstruction (Miyagi, Fukushima, and Iwate Prefectures) <ul style="list-style-type: none"> <li>• Installation of temporary base stations at shelters</li> <li>• Securing telecommunications areas in temporary housing areas</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>➤ Full restoration/reconstruction (Miyagi, Fukushima, and Iwate Prefectures) <ul style="list-style-type: none"> <li>• Securing telecommunications area in temporary housing areas</li> <li>• Promotion of construction work supporting <b>“efforts with new countermeasures against disasters” by carriers</b></li> </ul> </li> <li>➤ <b>Expected amount of orders to be received for the current fiscal year</b> <b>2.0 billion yen</b></li> </ul>
ICT/Civil engineering and others	<ul style="list-style-type: none"> <li>➤ Implementation of electrical works for temporary housing and temporary schools (Miyagi and Fukushima Prefectures)</li> <li>➤ Facility operation work such as street lighting maintenance (Requested by public and private sectors)</li> </ul>	<ul style="list-style-type: none"> <li>➤ Plan design collaboration and construction of earthquake-resistant buildings (educational facilities, office building and others) for restoration (Miyagi Prefecture)</li> <li>➤ <b>Expected amount of orders to be received for the current fiscal year</b> <b>0.9 billion yen</b></li> </ul>



# III Influences of Great East Japan Earthquake and Efforts for Restoration

## 2. Efforts for Restoration Works

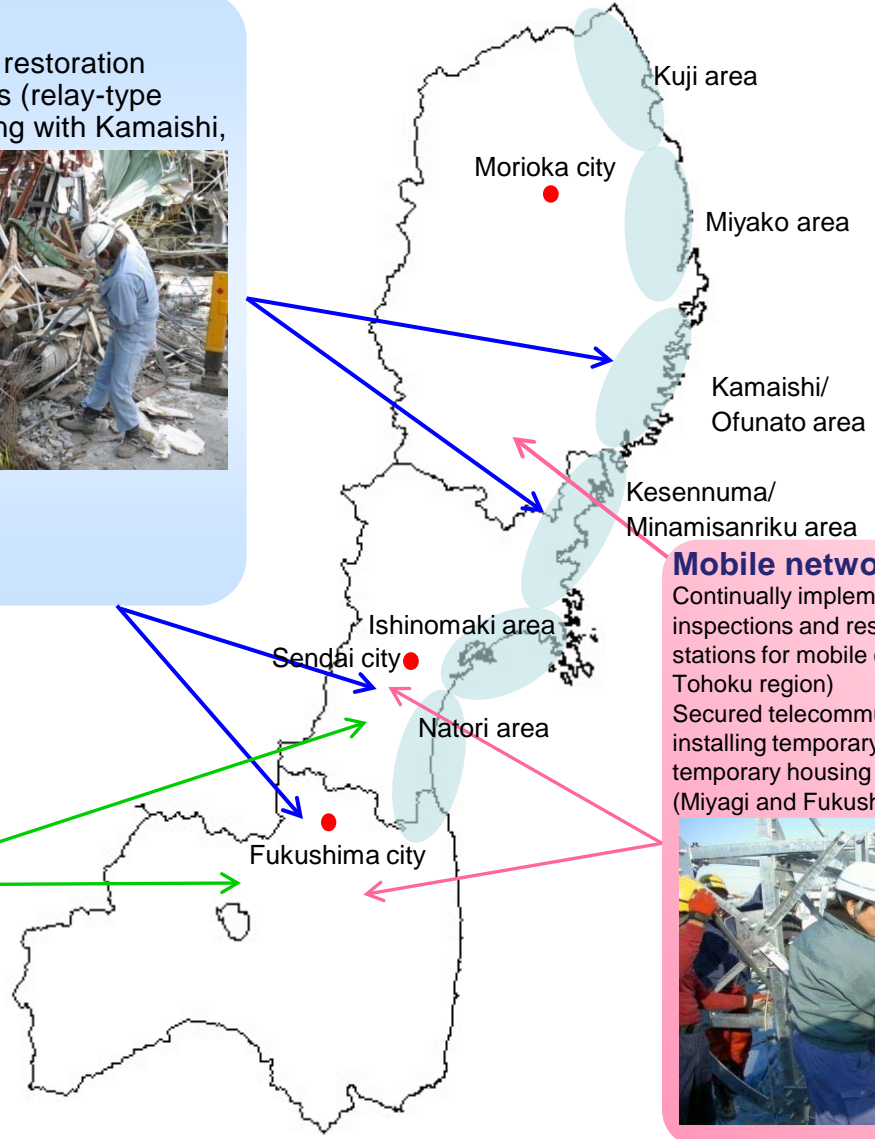
### NTT network engineering

Implemented inspection/survey of facilities, and restoration planning/constructions of transmission channels (relay-type optical lines) in Kesenuma, Minamisanriku along with Kamaishi, Ofunato areas.



### ICT/Civil engineering and others

Implemented electrical works for temporary housing and schools in Miyagi and Fukushima Prefectures



### Mobile network solutions

Continually implemented facility inspections and restoration works of base stations for mobile carriers (across Tohoku region)  
Secured telecommunications area by installing temporary base stations in temporary housing areas (Miyagi and Fukushima Prefectures)







## IV Specific Measures to Achieve Business Plan

MIRAIT Holdings Corporation

## 1. Status of Measures and Initiatives

<p>General management</p>	<ul style="list-style-type: none"> <li>• Set up a <b>Restructuring project office</b> (July 2011) and <b>PT (project team)</b> for <b>preparing establishment of new company</b> (October 2011)</li> <li>• Establish a shared service center (<b>M's Brain Center</b>) for promoting concentration of operations (October 2011)</li> </ul>
<p>NTT network engineering</p>	<ul style="list-style-type: none"> <li>• <b>Optimize/integrate area services</b></li> <li>• Enhance concentration of operations by system integration for Access service</li> <li>• Promote <b>enhancement of productivity by KAIZEN activities</b> (May 2011-)</li> </ul>
<p>Mobile network solutions</p>	<ul style="list-style-type: none"> <li>• <b>Effectively use resources of 3 companies by business integration</b> (April 2011-)</li> <li>• Increase sales by expanding to new fields</li> <li>• Proactive approach to investment in the 900MHz 'platinum band'</li> </ul>
<p>ICT/Civil engineering and others</p>	<ul style="list-style-type: none"> <li>• Expand to upper layer (server/software/contents)</li> <li>• Advanced maintenance and operation: Receive comprehensive orders of <b>construction/maintenance/operation of a data center</b></li> <li>• Initiatives for market trends (FMC/Data offload): <b>Wi-Fi installation/maintenance</b></li> </ul>
<p>Cost reduction</p>	<ul style="list-style-type: none"> <li>• Reduce telecommunications costs by reviewing contracts</li> <li>• Promote paperless company meetings</li> <li>• Promote reduction of outsourcing through self-operating</li> </ul>

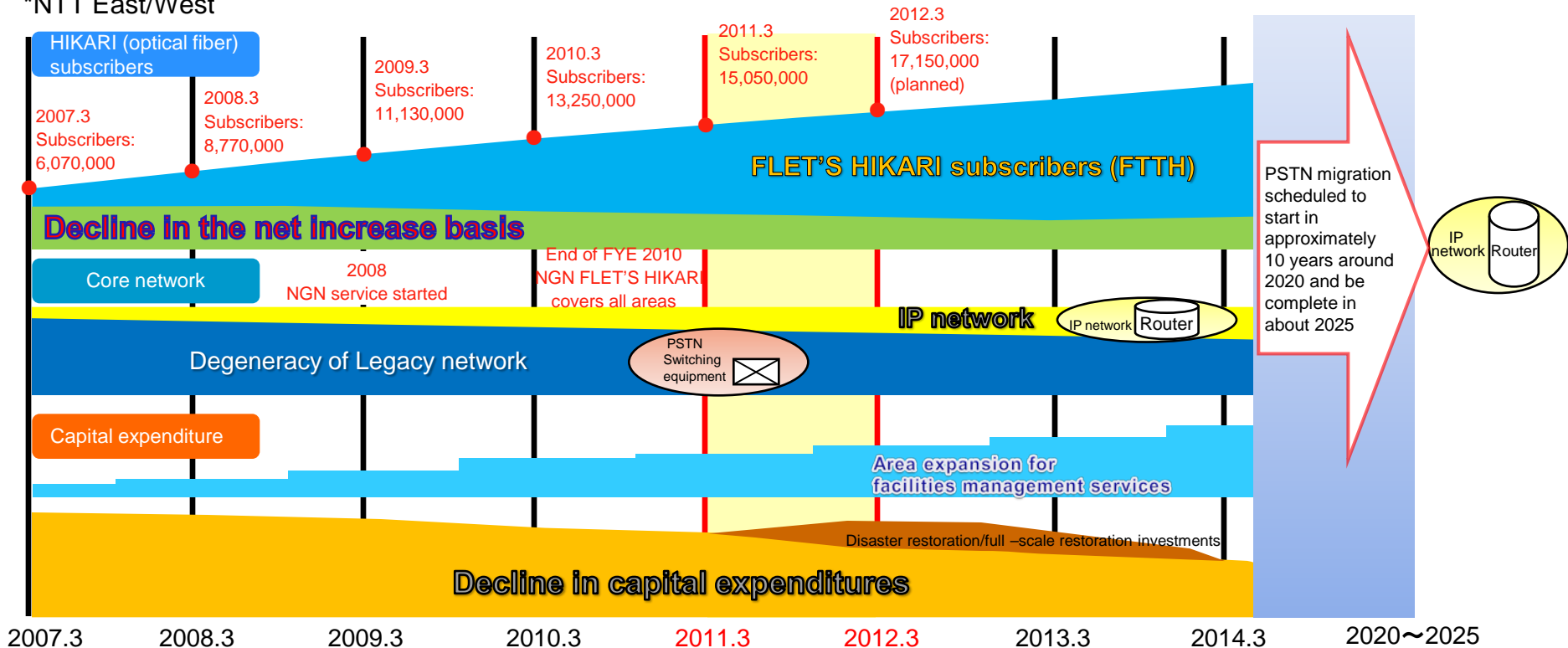
# IV Specific Measures to Achieve Business Plan

## 2. NTT Network Engineering

### (1) Trends of NTT Network Engineering


- Respond recovery works of Great East Japan Earthquake as a top priority. **Slight increase** in capital expenditure is **expected due to full restoration investment**
- Planned net increase of optical fiber users by introducing new service “HIKARI light” by 2.10 million (1.25 million for East, 0.85 million for West)
- Cost down in unit price continues amidst slight increase in sales by full-scale restoration investment
- Area expansion for facilities management services (repair failure, rail maintenance & facility management, etc.)**

\*NTT East/West



# IV Specific Measures to Achieve Business Plan

## 2. NTT Network Engineering (2) Specific Measures (Total image)

 indicates specific measures on following pages

	Action for existing fields	Integrated business management	Action for relevant businesses	Development of Human resource	
Increase earnings Enhancement of productivity	<ul style="list-style-type: none"> <li>Standardization of business processes</li> </ul>	<ul style="list-style-type: none"> <li>Promote productivity enhancement by KAIZEN activities</li> </ul>	<ul style="list-style-type: none"> <li>Optimization/integration of area services (eliminating temporary areas)</li> </ul>	<ul style="list-style-type: none"> <li>Fostering multi-skilled employees through job rotations</li> </ul>	
Establish MIRAIT brand	<ul style="list-style-type: none"> <li>Expansion of business consolidation by system integration</li> </ul>		<ul style="list-style-type: none"> <li>Promotion of abolishing and integration of offices</li> </ul>	<ul style="list-style-type: none"> <li>Business development in relevant businesses such as expansion of facilities management services, upgrading and expanding towards IP and NW network, operation and maintenance, etc.</li> <li>Expand certain community-based business in ICT/Civil engineering and others</li> </ul>	<ul style="list-style-type: none"> <li>Fostering engineers who can shift to expanded business fields</li> </ul>
Maintain and improve safety and quality	<ul style="list-style-type: none"> <li>Unification of construction management system</li> </ul>		<ul style="list-style-type: none"> <li>System integration for Access service</li> </ul>		<ul style="list-style-type: none"> <li>Implementation of Group-wide trainings</li> </ul>
	<ul style="list-style-type: none"> <li>Concrete actions to achieve safety and quality policy</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of productivity through self-operating of management operations</li> </ul>			

# IV Specific Measures to Achieve Business Plan

## 2. NTT Network Engineering

### (3) Optimize/integrate area services and promote abolishment and integration of offices

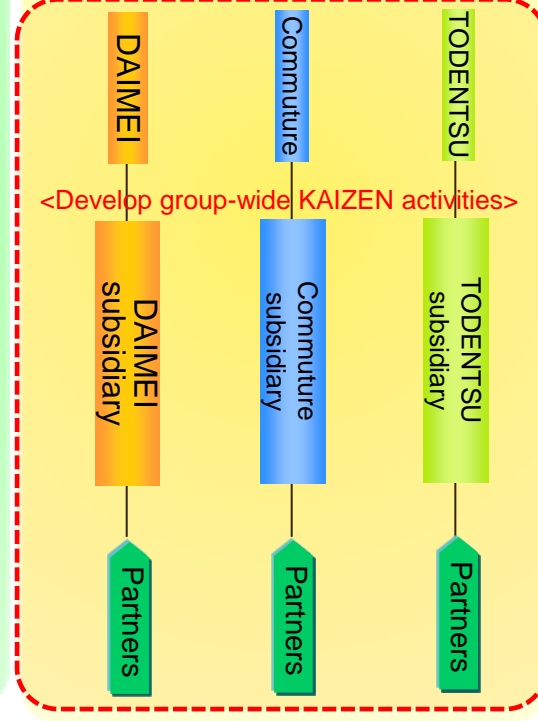
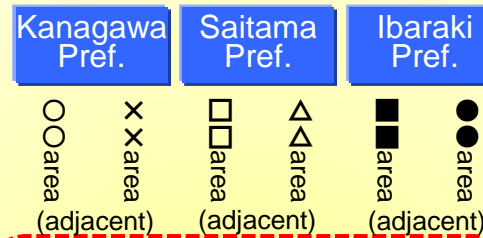
[Optimize/integrate area services]  
 <Eliminating temporary areas>

- ◎ Change from 1 area 2 subsidiary format to 1 area 1 subsidiary format (East Japan)
- ◎ Standardize business processes

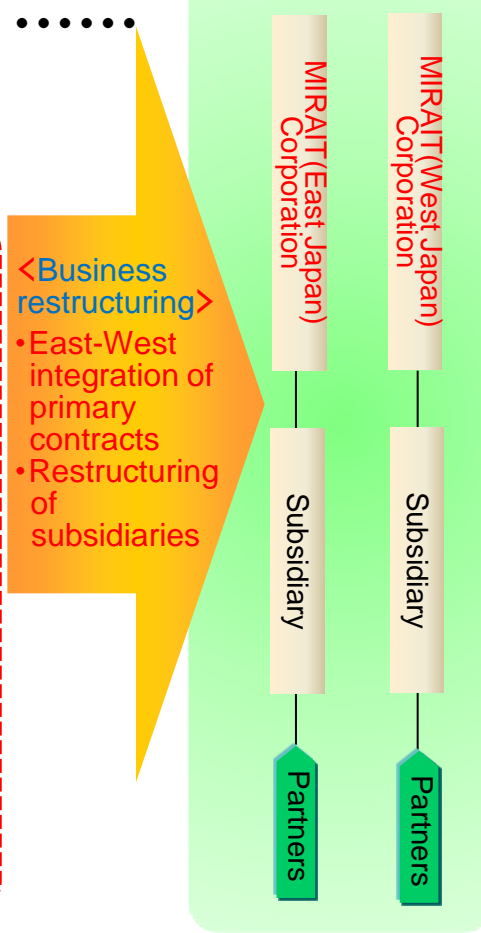
[Promote abolishment and integration of offices] (East Japan)

- ◎ Abolish and integrate branch offices  
 16 branches ⇒ 14 branches [(2 branches)]  
 (Ibaraki and Kanagawa Prefectures)
- ◎ Abolish and integrate construction offices  
 36 centers ⇒ 33 centers [(3 centers)]  
 (Tokyo, Kanagawa, and Ibaraki Prefectures)

[October, 2012]



[Within 2012]



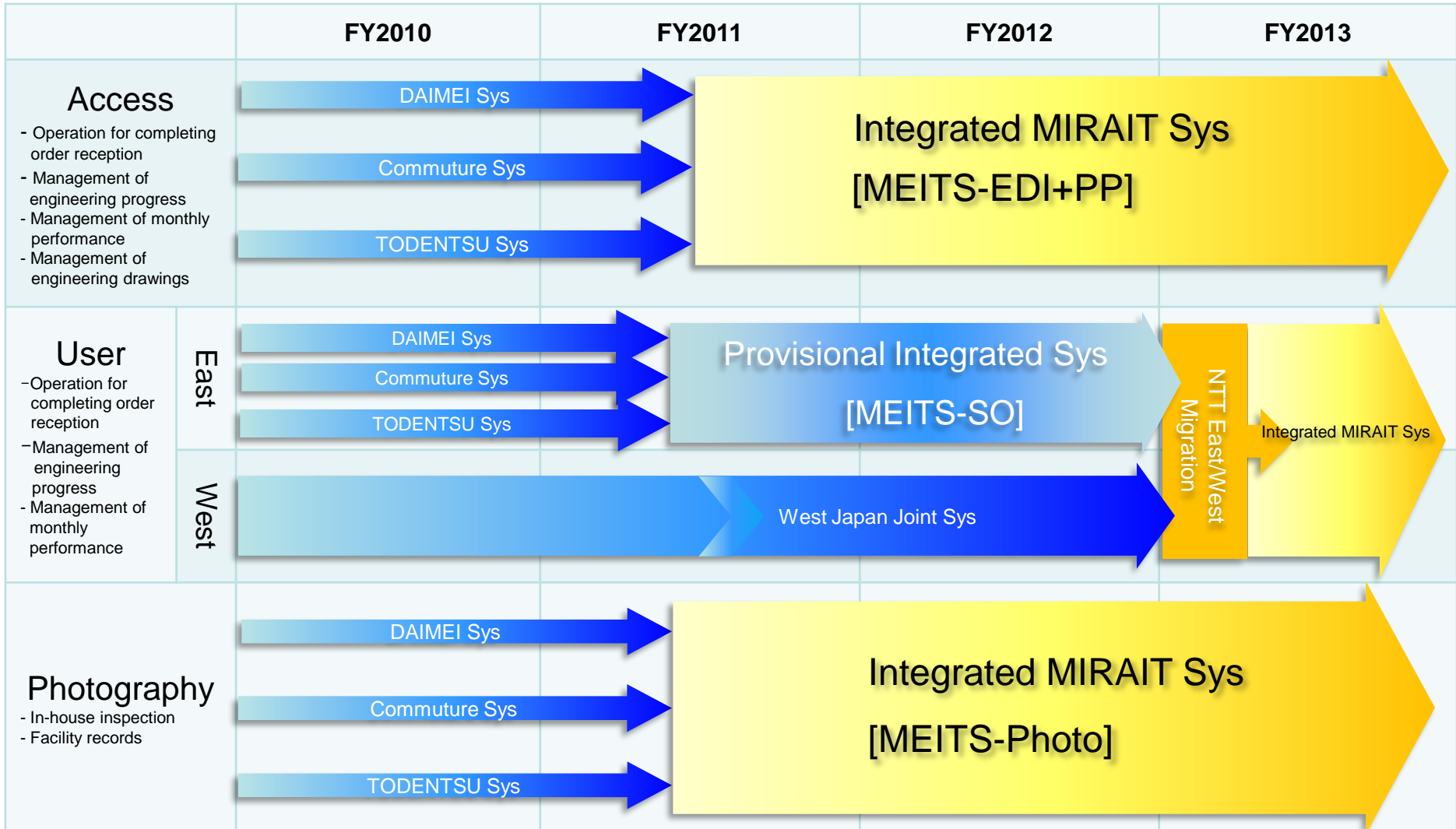
<Business restructuring>  
 • East-West integration of primary contracts  
 • Restructuring of subsidiaries

# IV Specific Measures to Achieve Business Plan

## 2. NTT Network Engineering

### (4)-1 System integration for Access service


◎Integrate systems of 3 companies into optimal system (scheduled for completion within the year)

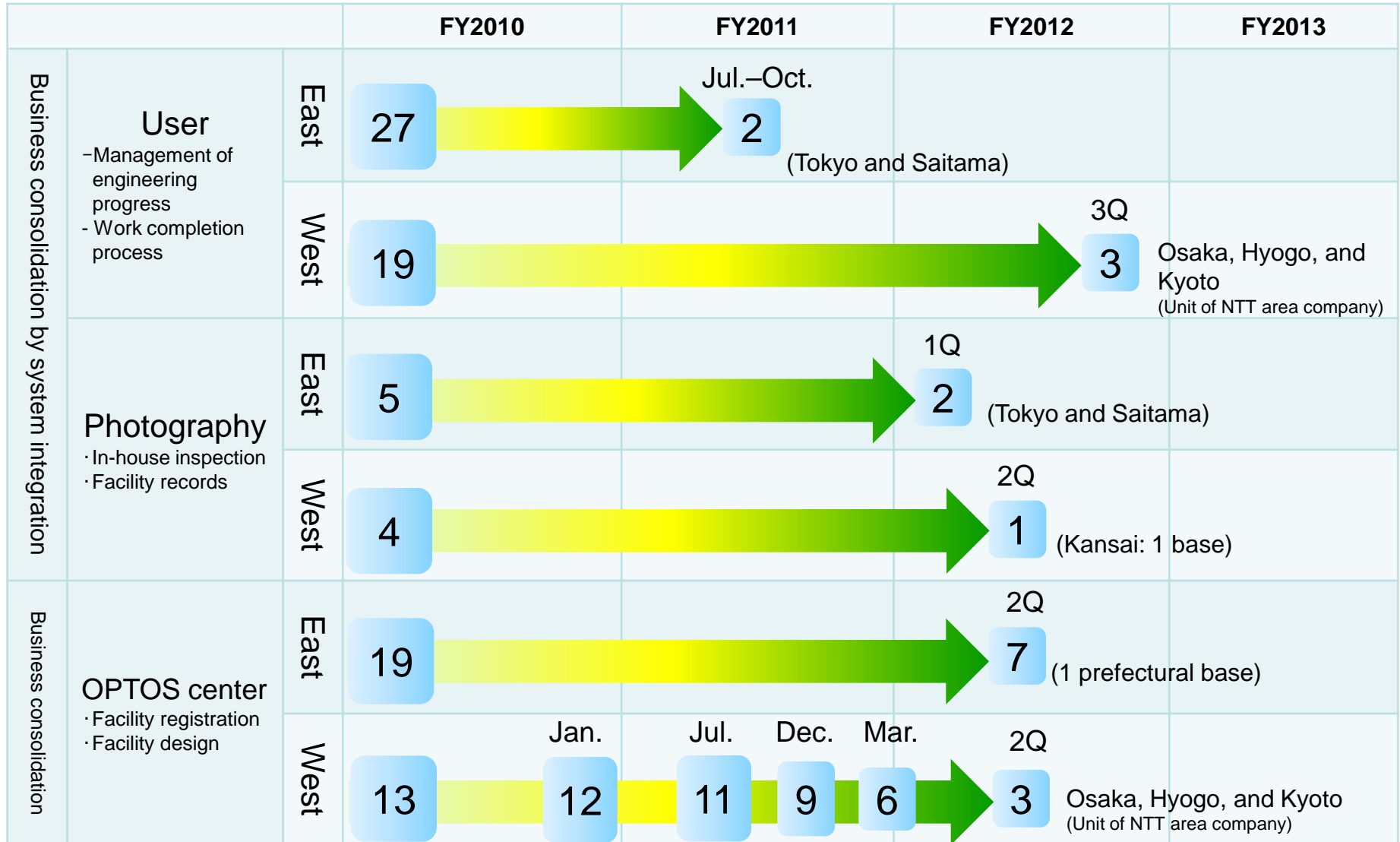


# IV Specific Measures to Achieve Business Plan

## 2. NTT Network Engineering

### (4)-2 Enhance concentration of operations by system integration

Legend  : Figures in box indicate number of work bases



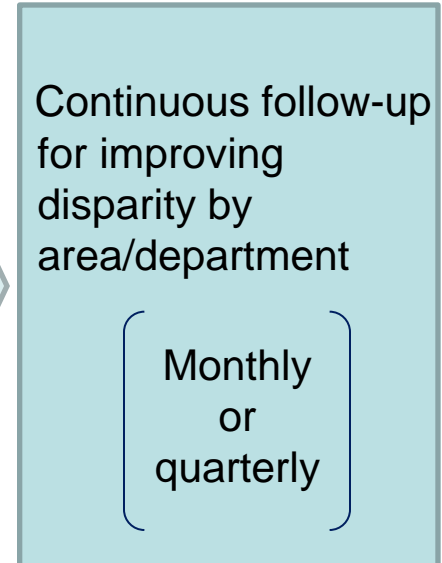
# IV Specific Measures to Achieve Business Plan

## 2. NTT Network Engineering

### (5) Promote productivity enhancement by KAIZEN activities

• Secure safety, quality and compliance to build a win-win relationship with partners

Theme	KPI index
Ensure construction gross profit	Construction gross profit
Productivity enhancement of indirect/engineering departments	Net sales of completed construction contracts per worker
Ensure net sales of completed construction contracts by shortening lead time	Number of long-term incomplete construction projects
Profit rate enhancement of telephone pole renewal work	Construction gross profit ratio
Improve cash flow by inventory reduction	Number of days the inventory is held
Visualization of 3S activities	Before and after comparison



#### 〈KAIZEN case example〉

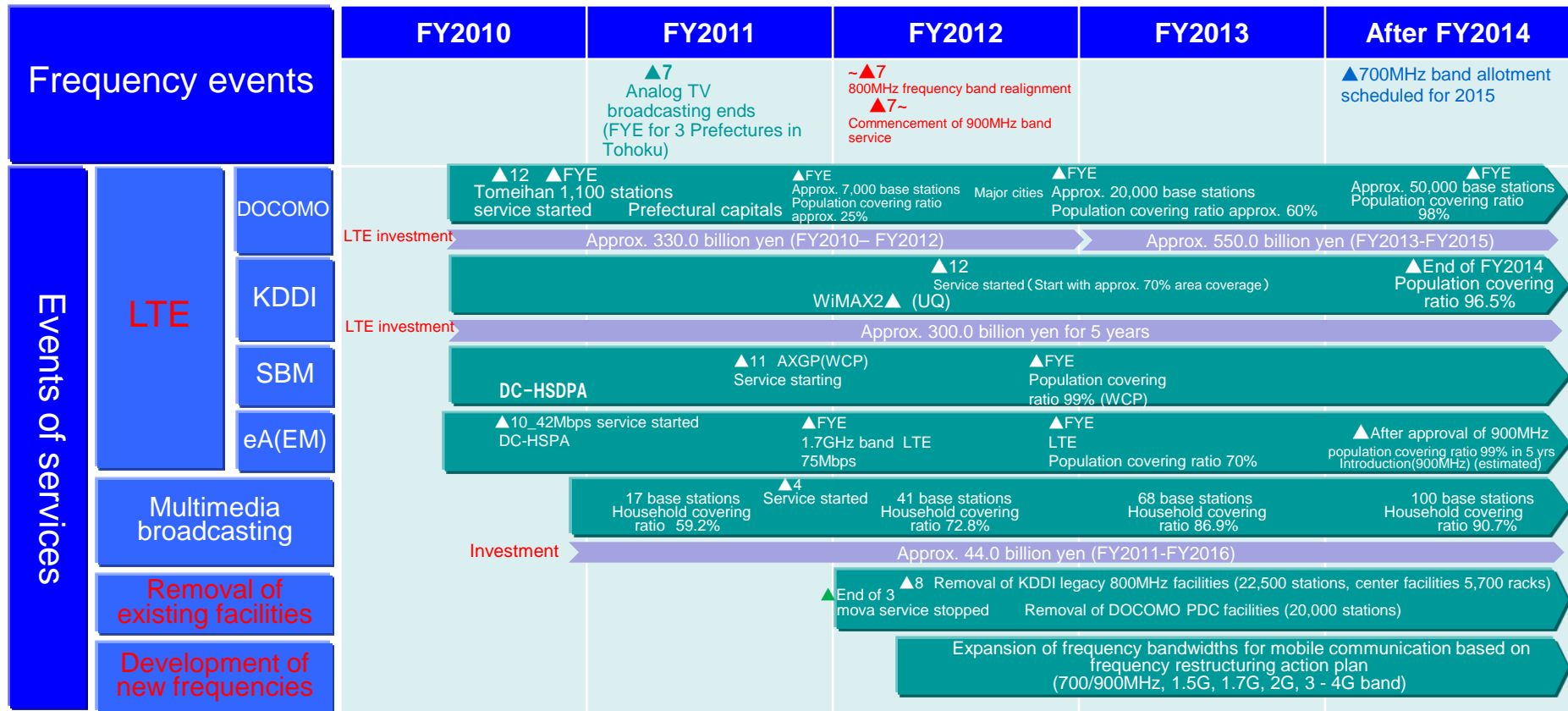
- Productivity enhancement through visualization by work type (design, field investigation, engineering management, engineering.)
- Optimization of number of work teams, and education of superior teams by promoting multiple skills and results management
- Improvement of net sales of completed construction contracts by reducing long-term incomplete construction through analysis of delay factors and visualization
- Improvement of cost by reduction of design lead time, equalization of engineering and reduction of relocation loss




## 3. Mobile Network Solutions

### (1) Trends of Mobile Network Solutions

- Countermeasures against traffic increase due to growing popularity of smartphones, deploy disaster-resistant network
- Introduction of LTE is fully in progress after FY2011 (NTT DOCOMO has accelerated capital expenditure, and KDDI and eA will start the service in 2012)
- Removal of old facilities will be also fully in progress after FY2012 (NTT DOCOMO PDC facilities, KDDI legacy 800MHz facilities)
- New services has started (Multimedia broadcasting, expansion of mobile frequencies)



## 3. Mobile Network Solutions (2) Specific Measures (Total image)

 indicates specific measures on following pages

	Action for existing businesses	Integrated business management	Action corresponding to new services etc.	Development of Human resource
Increase earnings	<ul style="list-style-type: none"> <li>Expand shares following VE proposals and appeals of engineering skills</li> </ul>	<ul style="list-style-type: none"> <li>Further promotion of Integrated operations towards incorporation in 2012</li> </ul>	<ul style="list-style-type: none"> <li>Securing construction skills (LTE) to meet network demands following expansion of smartphones and frequency realignment</li> </ul>	<ul style="list-style-type: none"> <li>Fostering multi-skilled employees through job rotations</li> </ul>
Establish MIRAIT brand	<ul style="list-style-type: none"> <li>Implementation of safe and high quality engineering through sharing know-hows within the Group</li> </ul>		<ul style="list-style-type: none"> <li>Strengthening group cooperation and sharing technical know-hows</li> </ul>	
Enhancement of productivity	<ul style="list-style-type: none"> <li>Improve productivity through co-productions and self-operations</li> </ul>		<ul style="list-style-type: none"> <li>Cost reductions by efficient utilization of management resources from 3 companies</li> </ul>	

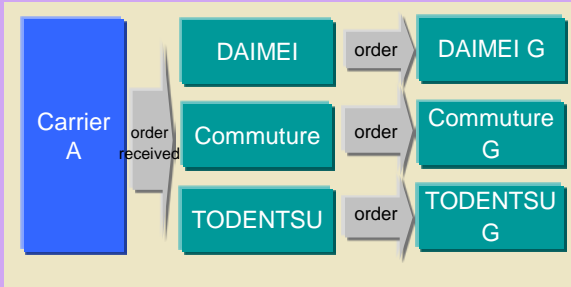
# IV Specific Measures to Achieve Business Plan

## 3. Mobile Network Solutions

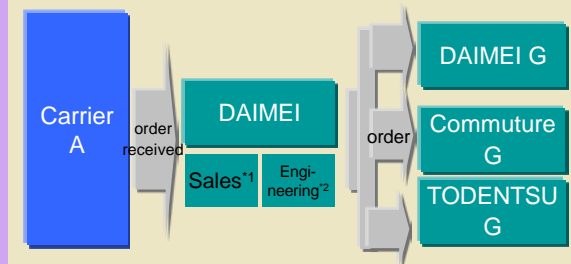
### (3) Specific Measures (Integrated operations)

Integrated operations towards incorporation in 2012

<Current status>



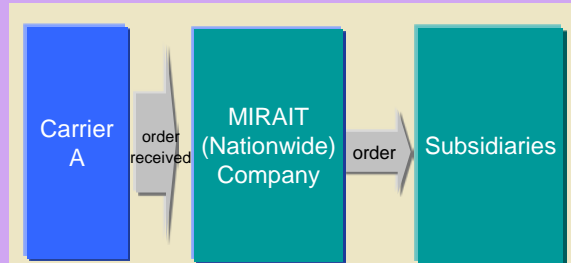
<Current FY>



\*1: Active sales based on collective abilities of 3 companies

\*2: Construction and quality control standardized by MIRAIT brand

<Within 2012>



Of the four mobile network solution businesses, operations of one business will be integrated from April, followed by the operations of two more from October. **By the start of next fiscal year, business integration will start for all area.**

#### Measures

	Income expansion	Productivity enhancement	Other
Organization/system	<ul style="list-style-type: none"> <li>Establish system based on business expansion</li> <li>Establish system for business area expansion</li> </ul>	<ul style="list-style-type: none"> <li>Optimize personnel in order to achieve profit objectives</li> <li>Promote in-house manufacturing</li> </ul>	<ul style="list-style-type: none"> <li>Develop human resources with future vision</li> <li>Exert organization power, combining with corporate culture and values</li> </ul>
Operation method	<ul style="list-style-type: none"> <li>Enhance engineering capability by standardization of business</li> <li>Expand order receipt through stimulating proposal for improvement</li> </ul>	<ul style="list-style-type: none"> <li>Productivity enhancement by operation integration and standardization</li> <li>Standardize and computerize data/manuals</li> </ul>	<ul style="list-style-type: none"> <li>Standardize and improve operation quality</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Share and optimize vehicles, measuring devices</li> </ul>	<ul style="list-style-type: none"> <li>Share and standardize training and knowledge</li> </ul>	

## 3. Mobile Network Solutions

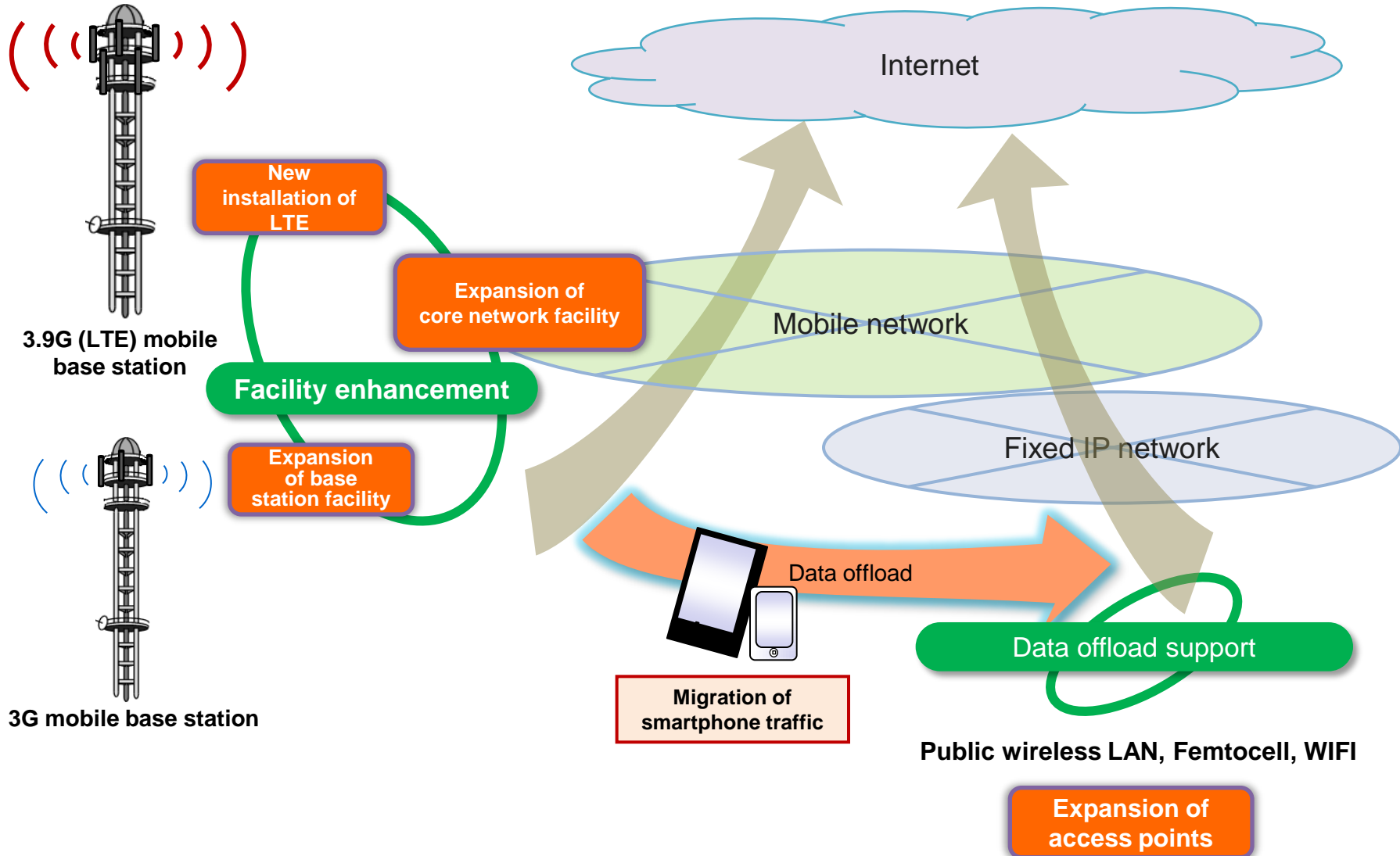
### (4) Specific Measures (Development of new fields)

Background & needs		Measure Policy
Expansion of smartphone market	Countermeasures against traffic increase	Nationwide technical preparations for carriers' early introduction/development of LTE
		Quick response to increasing installed capacity through reinforcing engineering system
		Prepare for expansion of Wi-Fi base stations
Frequency realignment	Allocation of new frequencies	Prepare for expansion measures for "platinum band" (900MHz)
	Removal of old facilities	Initiatives for receiving orders in preparation process for removal and expansion of orders received for the next fiscal year
Development of new fields	Expansion of service area	Entry of JMCIA engineering work between subway stations
		Entry of WiMAX engineering work between subway stations

# IV Specific Measures to Achieve Business Plan


## 3. Mobile Network Solutions

### (5) Engineering work to meet demands of increased smartphone traffic



# IV Specific Measures to Achieve Business Plan

## 4. ICT/Civil Engineering and Others (1) Specific Measures (Total image)

 indicates specific measures on following pages

	Operational reform in existing business	Integrated business management	Development/ expansion of new business	Development of human resource
Increase earnings	<ul style="list-style-type: none"> <li>Select and focus on the target market *Customer/product portfolio analysis</li> <li>Reform sales process *Enhance pipeline *Propose added value by enhancing SE function</li> </ul>	<ul style="list-style-type: none"> <li>Share sales information among 3 companies and use for effective sales proposals</li> <li>Promote joint project in large-scale/important projects</li> <li>Cross-sell leading products</li> </ul>	<ul style="list-style-type: none"> <li>Promote development of new markets with high growth potential *Cloud *Digital media *New energy *Overseas</li> </ul>	<ul style="list-style-type: none"> <li>Planned training of project managers/project leaders to conduct overall management</li> </ul>
Establish MIRAIT brand	<ul style="list-style-type: none"> <li>Accumulate technical expertise *Information sharing based on knowledge management</li> </ul>	<ul style="list-style-type: none"> <li>Mutually use characteristic functions of parent company, subsidiaries and partners</li> </ul>	<ul style="list-style-type: none"> <li>Accumulate results and expertise</li> <li>Collaborate with outside partners</li> </ul>	<ul style="list-style-type: none"> <li>Initiatives for substantial improvement and quantitative expansion of network/server/electrical engineers and developing multi-skilled engineers</li> </ul>
Productivity enhancement	<ul style="list-style-type: none"> <li>Sales/engineering productivity *Evaluate by organization *KAIZEN measures</li> </ul>	<ul style="list-style-type: none"> <li>Mutually use project managers/supervising engineers</li> </ul>	<ul style="list-style-type: none"> <li>M&amp;A accelerates the following: *Acquire customers *Acquire expertise *Enhance personnel</li> </ul>	<ul style="list-style-type: none"> <li>Develop human resources for sales front staff and SE</li> <li>3 companies joint training (New staff / skill conversion)</li> </ul>



# IV Specific Measures to Achieve Business Plan

## 4. ICT/Civil Engineering and Others

### (2) New Business (Status of development/expansion)

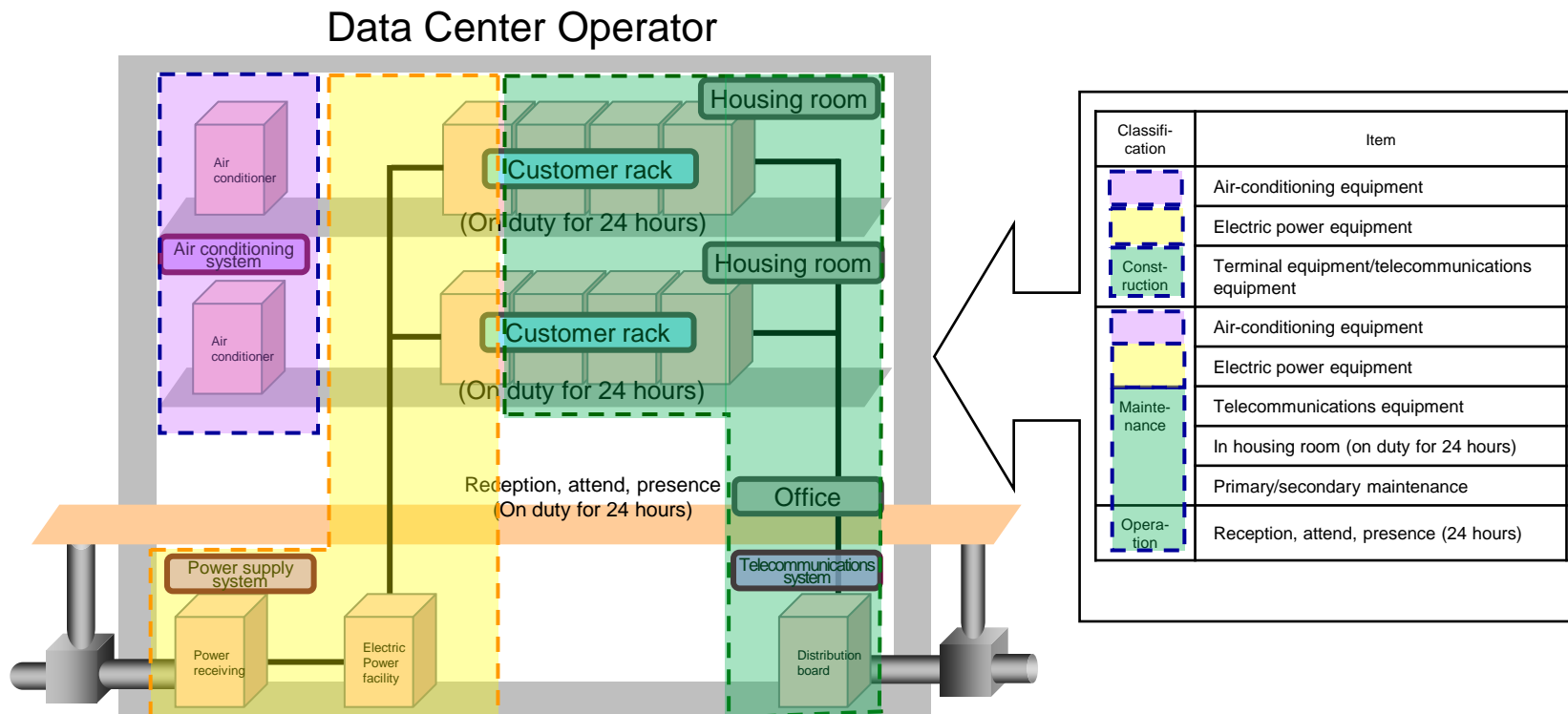
Items written in red indicate specific examples on following pages

New business areas/Items		Status of the first half of the fiscal year	Measures in the latter half of the fiscal year
Cloud	IaaS (Server solution)	<ul style="list-style-type: none"> <li>• Comprehensive orders for construction and maintenance of large <b>data center</b></li> <li>• Market opportunities in services for smartphone/<b>FMC data offloading</b></li> <li>• Demand for <b>remote monitoring of server</b> specifically revealed</li> </ul>	<ul style="list-style-type: none"> <li>• Sales based on performance of data center</li> <li>• Expansion of total solutions</li> <li>• Proactive initiatives for FMC</li> <li>• Full-fledged participation in remote monitoring of server</li> <li>• Consider M&amp;A</li> </ul>
	Managed service (Advanced maintenance and operation)		
Digital media	Signage	<ul style="list-style-type: none"> <li>• White space demonstration experiment (Minamisoma City, Higashi Honganji, etc.)</li> <li>• Development of <b>content distribution business</b> (Terrestrial stations, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Business plans using experiment expertise</li> <li>• Enhance sales system of contents</li> </ul>
	White space		
	Contents delivery		
New energy	Solar power generations	<ul style="list-style-type: none"> <li>• Sluggish demand for solar power generation</li> <li>• Participation in monitoring electrical energy</li> <li>• Entry into energy conservation fields for air conditioner/outdoor unit</li> </ul>	<ul style="list-style-type: none"> <li>• Meet the restoration demand for solar power generation</li> <li>• Capture demand for conservation of electric power and energy</li> </ul>
	Energy management		
Overseas	Optical fiber communication infrastructure	<ul style="list-style-type: none"> <li>• Acquisition of Australian construction company</li> <li>• Enhancement of Philippine subsidiary</li> <li>• Local subsidiary in Sri Lanka</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance maintenance of local operation system</li> <li>• Entry into mobile/data center fields in addition to optical fiber infrastructure</li> <li>• Consider M&amp;A</li> </ul>
	Mobile		
	ICT solutions		

## 4. ICT/Civil Engineering and Others (3) Specific Works (New business)

### Cloud/IaaS (Work of Data Center)

○ Scope of services provided



**Performance:** Accepted comprehensive orders for the construction, maintenance, and operation of a large-scale next-generation data center (total floor-space: over 10,000m<sup>2</sup>), and currently performing operations management

**Works:** Engaged in sales activities based on the experience and know-how we have accumulated, in order to secure new data center orders  
Engaged in sales activities targeting similar fields overseas as well



# IV Specific Measures to Achieve Business Plan

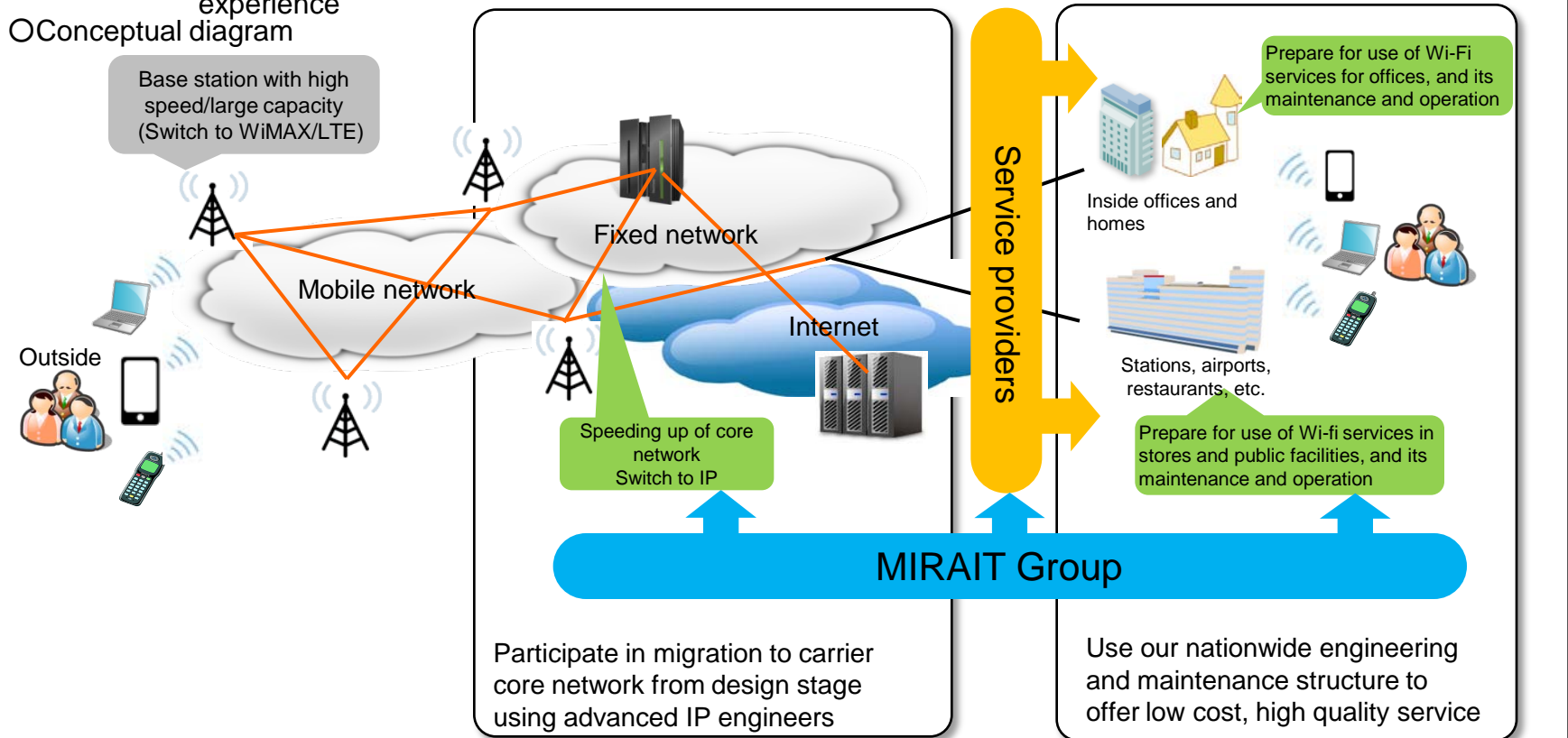
## 4. ICT/Civil Engineering and Others (4) Specific Works (New Business)

### ■ Total Solution (FMC/Data offload support: Wi-Fi installation/participate in carrier core networks)

Background: Significant lack of carriers' telecommunications band due to sharp increase in smartphones such as iPhone and Android terminals

Works: Entry into Wi-Fi access point installation business using nationwide engineering and maintenance work strengths  
Take orders for upgrade related engineering work of carrier core networks using our network construction experience

#### ○ Conceptual diagram



# IV Specific Measures to Achieve Business Plan

## 4. ICT/Civil Engineering and Others (5) Specific Works (New Business)

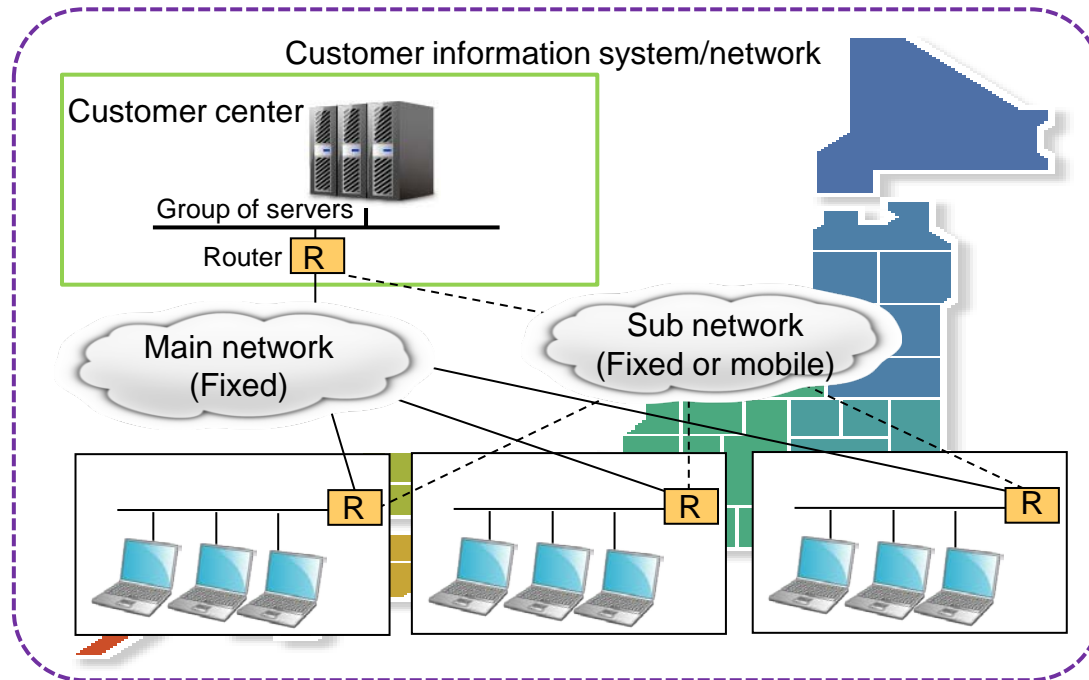
### ■ Advanced maintenance/operation (remote monitoring of server/network)

Background: Trend to comprehensive outsourcing of both construction and maintenance of information system/network facilities  
In particular, needs for remote monitoring of server/router and nationwide emergency maintenance

Point: Gain customer trust through regular monitoring based on facility DB, and accurate and speedy response

Works: Monitor servers, which function as the information system platform, in addition to existing networks and PBX

### ○ Service image



-Remote monitoring  
-365d 24h support  
-Nationwide emergency support

**MIRAIT Integrated maintenance center**



Monitoring tool  
Customer equipment DB  
Monitoring/control team



# IV Specific Measures to Achieve Business Plan

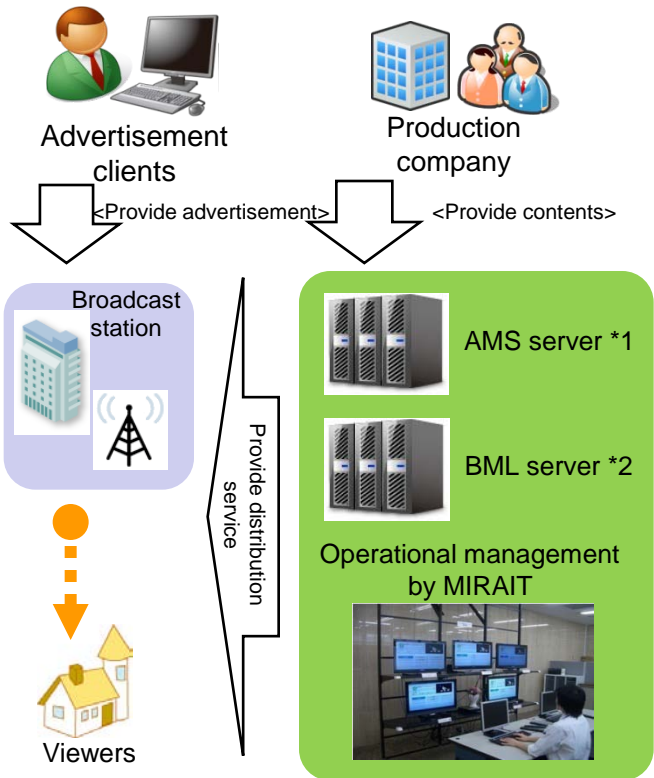
## 4. ICT/Civil Engineering and Others (6) Specific Works (New Business)

### ■ Digital media (Broadcast content distribution)

Overview: Provide content distribution service for advertisement clients and broadcasting stations (terrestrial stations and cable stations)

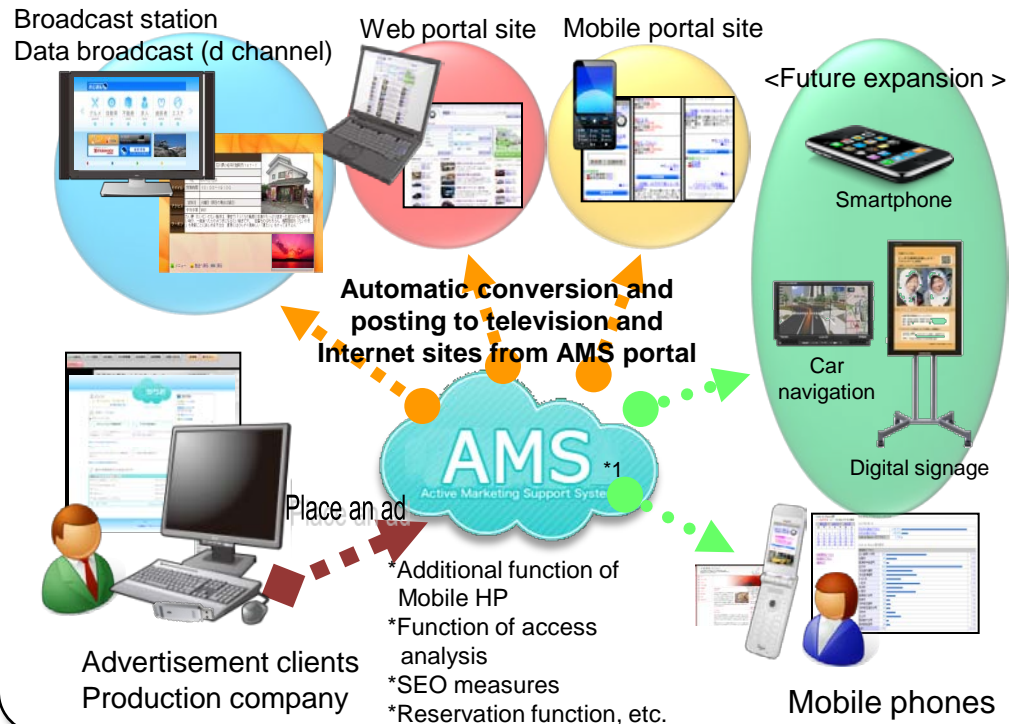
Works: Expand sales based on experience and know-how used by major terrestrial broadcasters

#### ○ Product flow (components)



#### ○ Image of providing service

One source/multi-use (to data broadcast, computer, mobile phone, etc.)



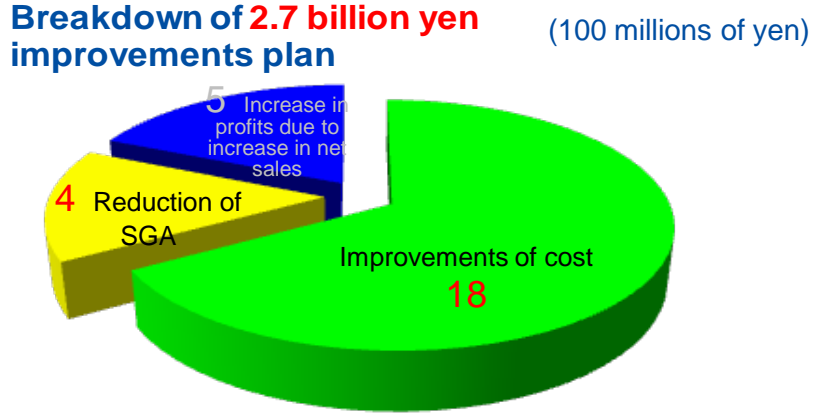
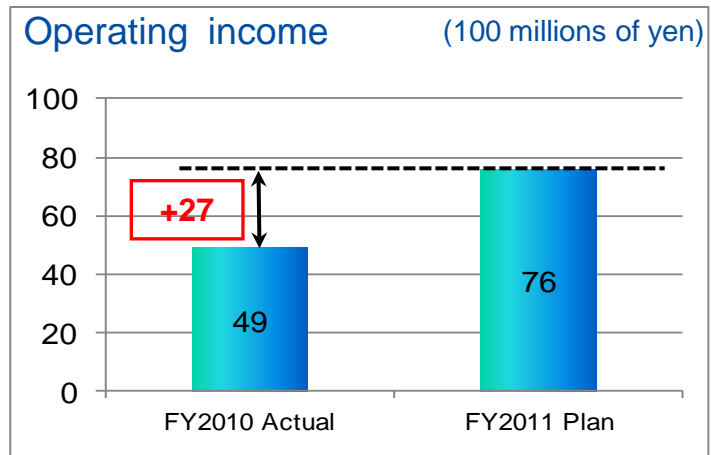
\*1) AMS: Active Marketing Support System

\*2) BML: Broadcast Markup Language

# IV Specific Measures to Achieve Business Plan

## 5. Synergy Measures and Cost Reduction

Aim to achieve operating income of 7.6 billion yen by synergy measures and cost reduction (total 2.7 billion yen)



Item	First half of the fiscal year	Full year outlook
Improvements of cost, etc.	<ul style="list-style-type: none"> <li>Expand consolidation of operations</li> <li>Optimize/integrate area services</li> <li>Promote KAIZEN activities</li> <li>→Productivity enhancement of indirect/engineering departments, etc.</li> <li>Effective use of assets</li> </ul> <p>Total 0.4 billion yen</p>	<ul style="list-style-type: none"> <li>Expand consolidation of operations</li> <li>Optimize/integrate area services</li> <li>Promote KAIZEN activities</li> <li>Implementation of comprehensive service engineering measures on individual area/theme basis</li> <li>Effective use of assets</li> <li>Reversal of decrease in profit of the previous fiscal year due to the earthquake</li> </ul> <p>Total 1.8 billion yen</p>
Reduction of SGA, etc.	<ul style="list-style-type: none"> <li>Decrease in temporary cost for integration</li> <li>Reduction of membership fees for outside organizations</li> <li>Reduction of short-term employees</li> </ul> <p>Total 0.2 billion yen</p>	<ul style="list-style-type: none"> <li>Decrease in temporary cost for integration</li> <li>Reduction of membership fees for outside organizations</li> <li>Reduction of short-term employees</li> <li>Decrease in depreciation and amortization due to disposal of assets</li> <li>Increase in fixed costs (cost for holding company) (5)</li> </ul> <p>Total 0.4 billion yen</p> <p>+9</p>

## 6. Plans for Business Restructuring

Establish organic group structure which can implement MIRAIT integrated operations, and strive to become a group earning the confidence from stakeholders as the most reliable, and to continuously grow as an innovative company

- Promote structural shift (management resources shift) towards a comprehensive engineering & service company
- Carry out decisive structural reforms through business restructuring, including subsidiaries, and strengthen our competitiveness
- Challenge new business and shift to business portfolio with future potential
- Create new corporate culture and establish MIRAIT brand that will be highly evaluated in the market

\*Established a Restructuring Project Office and PT for preparing establishment of new company, and carrying out preparation work with target date of **October 1, 2012**

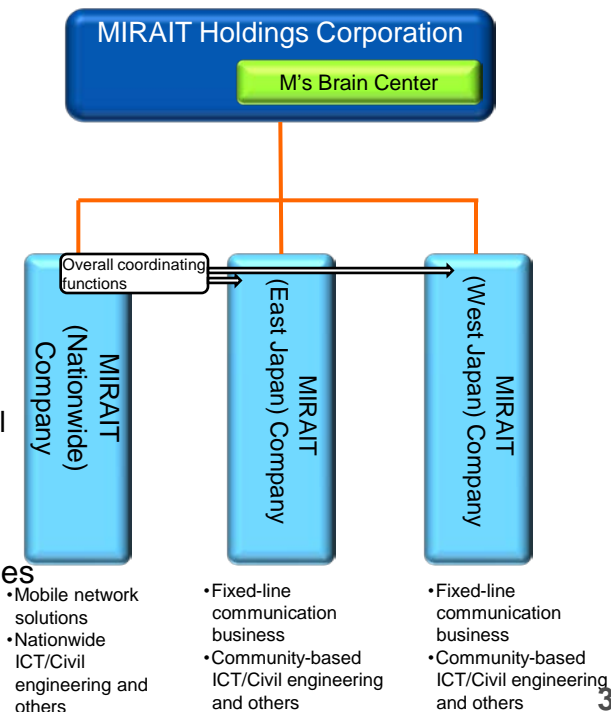
### ◆ Specific actions

#### (1) Streamline and enhance existing businesses

- Streamline and enhance NTT network engineering and mobile network solutions  
⇒ Merit of concentration/share expansion
- Appropriate positioning of staff, **shifting of human resources** to business expansion field
- **Unify shared group infrastructure** and aggregate whatever possible  
⇒ Personnel affairs, salary system, information system, accounting  
\*Establish shared service center (M's Brain Center)  
Phase 1 : Led by placement primarily of accounting (October 1, 2011)  
Phase 2 : Consolidate common operations such as general/legal and personnel affairs into the center in future

#### (2) Develop new businesses

- Business expansion (focusing on nationwide companies), improvement of sales efficiency in ICT/Civil engineering and others
- Thorough acquisition of peripheral business in existing businesses
- Create/promote new businesses





## 7. Share acquisition of Nisetsu Co., Ltd.

### (1) Transactions overview

- TODENTSU Corporation has concluded a share transfer agreement with EBARA CORPORATION to acquire all shares of Nisetsu Co., Ltd., (145,000 shares) held by EBARA CORPORATION
- The Group holds 72.5% of the issued shares as a result of the current share acquisition
- Acquisition period: January 2012 (scheduled)
- After the business restructuring of the MIRAIT Group, the Company will become a subsidiary of a nation-wide company and deploy business as part of the Group

### (2) Outline of Nisetsu Co., Ltd.

- Corporate Name : Nisetsu Co., Ltd.
- Address : (Head office) 1-2-1 Shibauta, Minato-ku, Tokyo
- Business description: Design and construction of air conditioning, plumbing sanitary and electronic equipment
- Net sales :10.2 billion yen (FYE March 2011)
- Representative : Masataka Yoshimura, President and Representative Director
- Shareholders composition (As of September, 2011) :

EBARA CORPORATION	145,000 shares	72.5%
Others	55,000 shares	27.5%

### (3) Reason for the acquisition of shares and synergy effect

- Further reinforcement of the Group's development as a "comprehensive engineering & services company" by adding air-conditioning and sanitary technologies to its existing IT, telecommunications, and electrical equipment technologies
- Expansion of environment/new energy fields including solar and building energy management systems, and of growth fields such as data centers through the concentration of these technologies
- Increase in sales opportunities through use of interoperable customer bases/sales information, etc.
- Accumulate/enhance technical ability and expertise that supports growth strategy of MIRAIT Group
- Promote structural change of business portfolio by M&A strategy for achievement of medium-term management plan

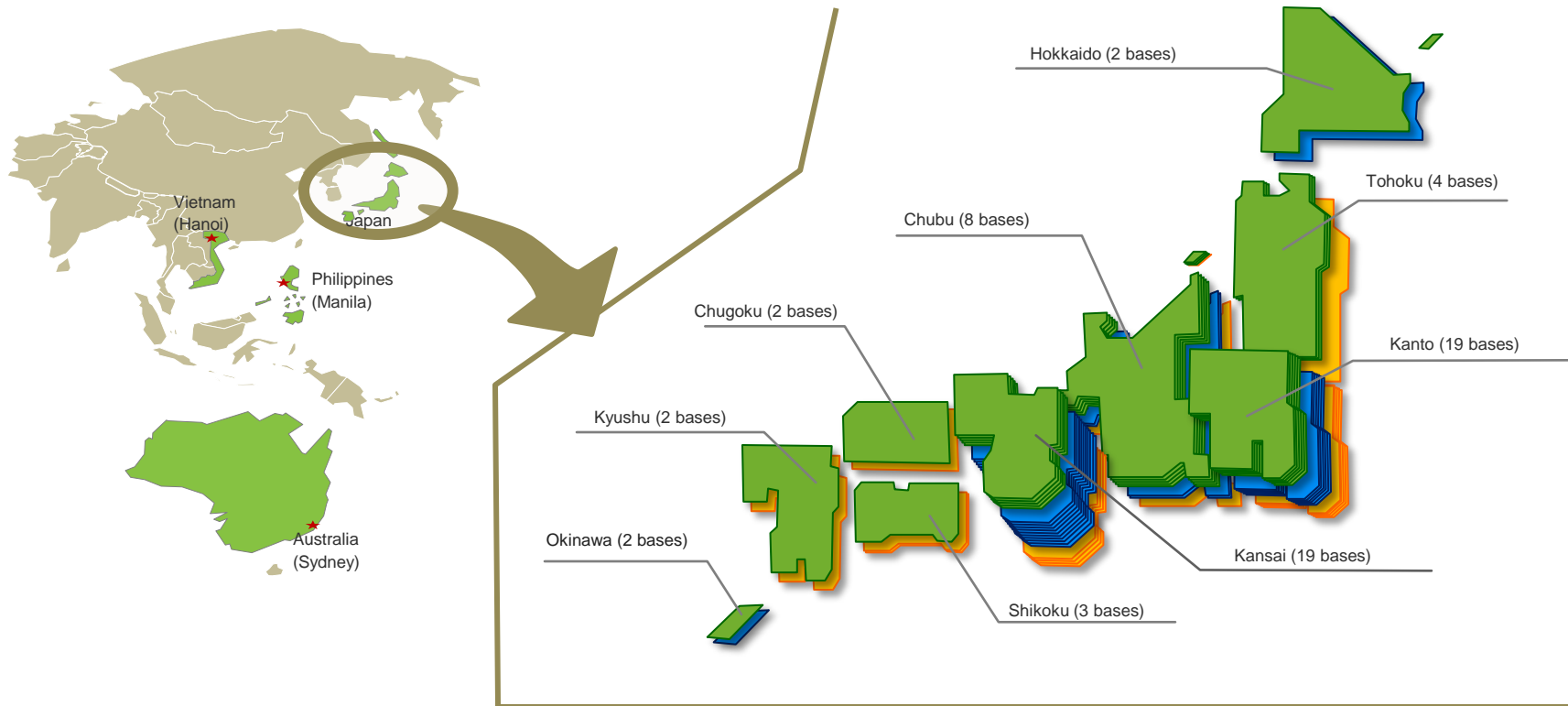


# V References

MIRAIT Holdings Corporation

## 1. Business Summary of MIRAIT Group

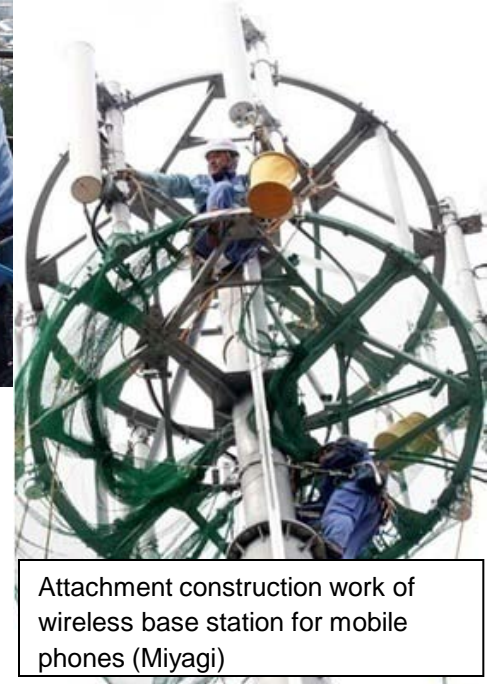
- Have a history of more than **60 years** as a partner of communications carriers, mainly focused on facility construction of telecommunications infrastructure
- Expanded the size of the Company to: **246.6 billion yen of sales and approx. 7,000 employees in total** due to the integration (as of the end of March 2011)
- Due to the integration, the number of **business bases has significantly expanded to 64 nationwide**. Especially strong in **Kanto and Kansai regions** with larger markets
- As for the Group's overseas activities, businesses have been deployed in Philippines, Vietnam and Australia, and considering of expanding in the future
- Due to the integration, each business has been enhanced and strengthened, and has been promoting a **structural shift towards a "comprehensive engineering & service company"**





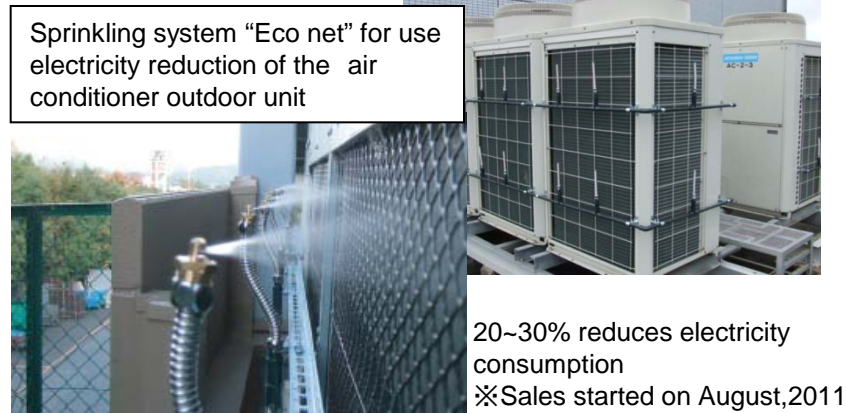
## 1. Business Summary of MIRAIT Group

<p><b>NTT network engineering</b></p>	<p>FY2010 Net sales 110.0 billion yen</p>	<ul style="list-style-type: none"> <li>◆ Installation, maintenance and operation of communications facilities in the field of NTT Group's fixed-line communications</li> <li>◆ Business deployment throughout all fields from external to internal networks mainly in the Tokyo metropolitan area and Kansai area</li> </ul>	<p><b>Mobile network solutions</b></p>	<p>FY2010 Net sales 68.1 billion yen</p>	<ul style="list-style-type: none"> <li>◆ Installation, maintenance and operation of communication facilities for mobile carriers</li> <li>◆ Nationwide deployment by multi-carrier solution</li> </ul>
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## 1. Business Summary of MIRAIT Group

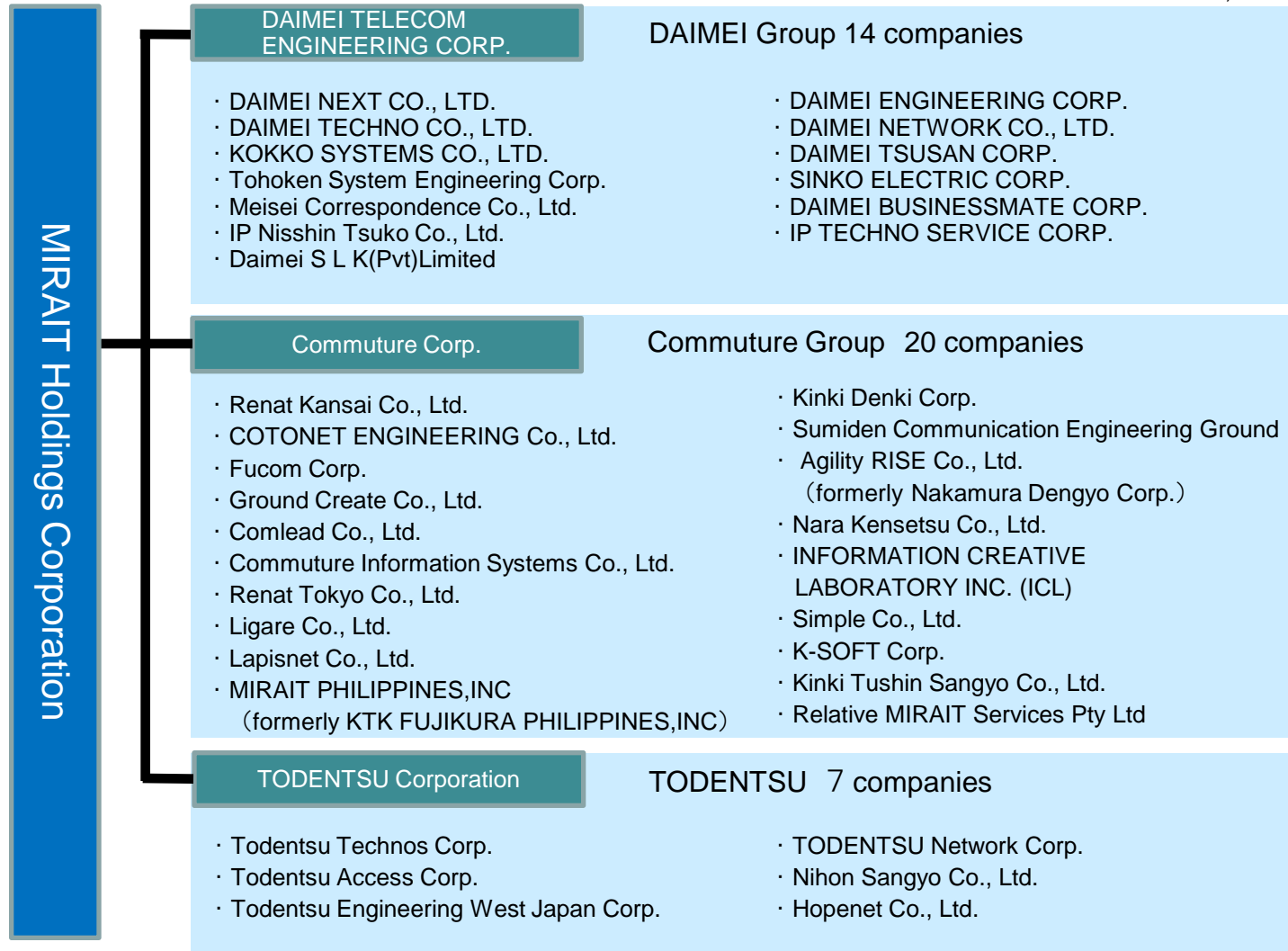
ICT	FY2010	◆ Installation, maintenance and operation of information communications systems for private companies and government offices	Civil engineering and others	FY 2010	◆ Installation, maintenance and operation of information communications systems for private companies and government offices
	Net sales 25.6 billion yen	◆ Business deployment in upper layers (applications/contents) based on networks (LAN/WAN)		Net sales 42.6 billion yen	◆ Business deployment towards environmental/new energy-related businesses and overseas businesses



## 1. Business Summary of MIRAIT Group

- Group's 38 companies are collaborating with 3 business companies, and deploying various businesses nationwide
- Particularly in ICT sector, there are group companies with specific features such as trading, and customer premises PC set-ups

As of November 15, 2011



## 2. FYE March 2012 Financial Results [MIRAIT HD consolidated]

(Billions of yen)

	FYE March 2012					FYE March 2011			
	2Q Actual	Composition ratio	Changes against previous FY	change of composition rate against previous FY	Plan	2Q Actual	Composition ratio	Full year actual	
								Full Year Total	(Reference) Purchase Method
Net sales	101.0	100%	(10.2)	—	251.6	111.3	100%	246.6	186.1
Gross profit on sales	9.7	9.7%	(1.4)	(0.4P)	26.5	11.2	10.1%	24.3	18.6
SGA	9.5	9.5%	(0.2)	0.7P	18.9	9.7	8.8%	19.3	14.5
Operating income	0.2	0.2%	(1.2)	(1.1P)	7.6	1.4	1.3%	4.9	4.0
Ordinary income	0.7	0.7%	(1.1)	(0.9P)	8.0	1.8	1.6%	5.7	4.7
Net income	0.5	0.6%	(0.0)	0.0P	4.7	0.6	0.6%	30.6	30.5

\*Actual figures of FYE March 2011 are based on total amounts of business results of DAIMEI TELECOM ENGINEERING CORP., Commutere Corp. and TODENTSU. The impact of “negative goodwill” of 26.8 billion yen is included in actual figures (net income) of FYE March 2011.

## 3. FYE March 2012 Financial Results [Results for Second Quarter by Business Segment]

(Billions of yen)

	DAIMEI Group					Commuture Group					TODENTSU Group				
	FYE March 2012		FYE March 2011		Changes	FYE March 2012		FYE March 2011		Changes	FYE March 2012		FYE March 2011		Changes
	2Q Actual	Composition ratio	2Q Actual	Composition ratio		2Q Actual	Composition ratio	2Q Actual	Composition ratio		2Q Actual	Composition ratio	2Q Actual	Composition ratio	
Net sales	46.5	100%	50.8	100%	(4.3)	39.1	100%	40.8	100%	(1.7)	17.6	100%	19.6	100%	(1.9)
Gross profit on sales	4.4	9.6%	5.5	10.9%	(1.1)	3.8	9.9%	3.9	9.6%	(0.0)	1.4	8.0%	1.7	9.1%	(0.3)
SGA	4.6	10.1%	4.9	9.7%	(0.2)	3.7	9.7%	3.1	7.8%	0.6	1.3	7.4%	1.6	8.2%	(0.3)
Operating income	(0.2)	—	0.6	1.2%	(0.8)	0.0	0.2%	0.7	1.8%	(0.6)	0.1	0.6%	0.1	0.9%	(0.0)



## 4. Net Sales and Orders Received by Business Sector [MIRAIT HD Consolidated]

(Billions of yen)

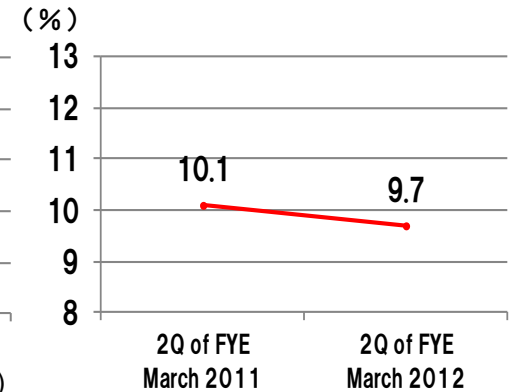
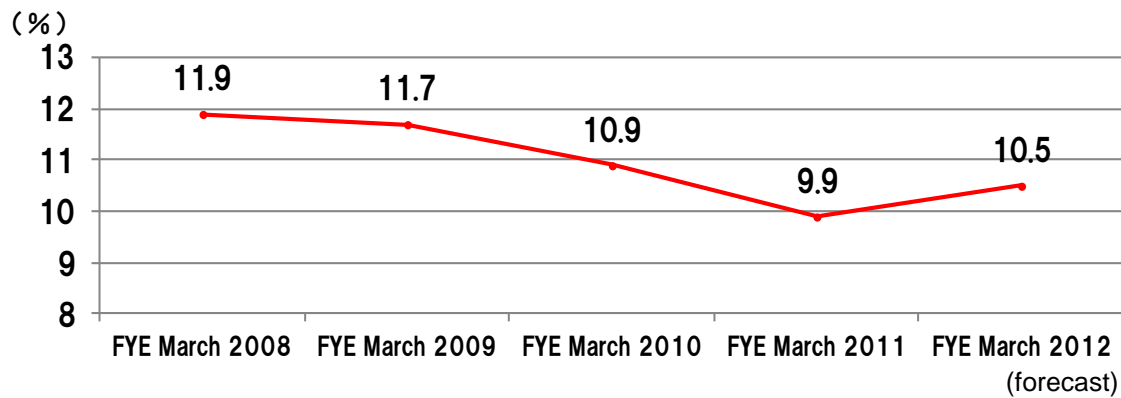
Orders received	FYE March 2012					FYE March 2011		
	2Q Actual	Changes against previous FY	Rate of changes against previous FY	Plan (Correction)	Progress rate	2Q Actual	Full year actual	Progress rate
	(a)	(a)-(c)	(a)/(c)	(b)	(a)/(b)	(c)	(d)	(c)/(d)
NTT network engineering	56.9	3.0	5.6%	113.0	50.4%	53.9	111.6	48.3%
Mobile network solutions	28.1	(5.2)	(15.7%)	71.2	39.6%	33.4	65.0	51.4%
ICT	12.6	7.0	6.2%	32.7	38.8%	11.9	25.3	47.1%
Civil engineering and others	19.1	(2.1)	(10.0%)	40.3	47.6%	21.3	39.2	54.3%
<b>Total</b>	<b>117.0</b>	<b>(3.6)</b>	<b>(3.0%)</b>	<b>257.2</b>	<b>45.5%</b>	<b>120.6</b>	<b>241.3</b>	<b>50.0%</b>

Net sales	FYE March 2012					FYE March 2011		
	2Q Actual	Changes against previous FY	Rate of changes against previous FY	Plan (Correction)	Progress rate	2Q Actual	Full year actual	Progress rate
	(a)	(a)-(c)	(a)/(c)	(b)	(a)/(b)	(c)	(d)	(c)/(d)
NTT network engineering	49.1	(8.0)	(1.7%)	112.8	43.6%	49.9	110.0	45.4%
Mobile network solutions	25.9	(7.1)	(21.6%)	70.0	37.0%	33.0	68.1	48.5%
ICT	11.8	2.0	1.9%	30.8	38.5%	11.6	25.6	45.3%
Civil engineering and others	14.1	(2.4)	(15.0%)	38.0	37.2%	16.6	42.6	39.0%
<b>Total</b>	<b>101.0</b>	<b>(10.2)</b>	<b>(9.2%)</b>	<b>251.6</b>	<b>40.2%</b>	<b>111.3</b>	<b>246.6</b>	<b>45.1%</b>

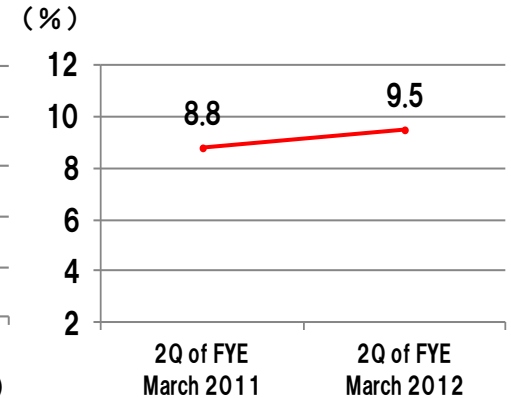
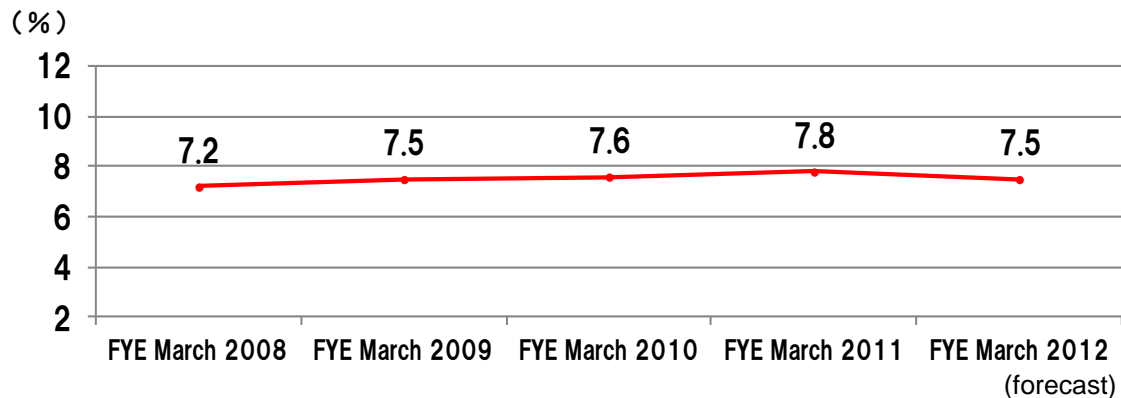
\*Actual figures of FYE March 2011 are based on total amounts of business results of DAIMEI TELECOM ENGINEERING CORP., Commuture Corp. and TODENTSU.

## 5. Indices 1)[Profit Rate]

### Gross profit margin

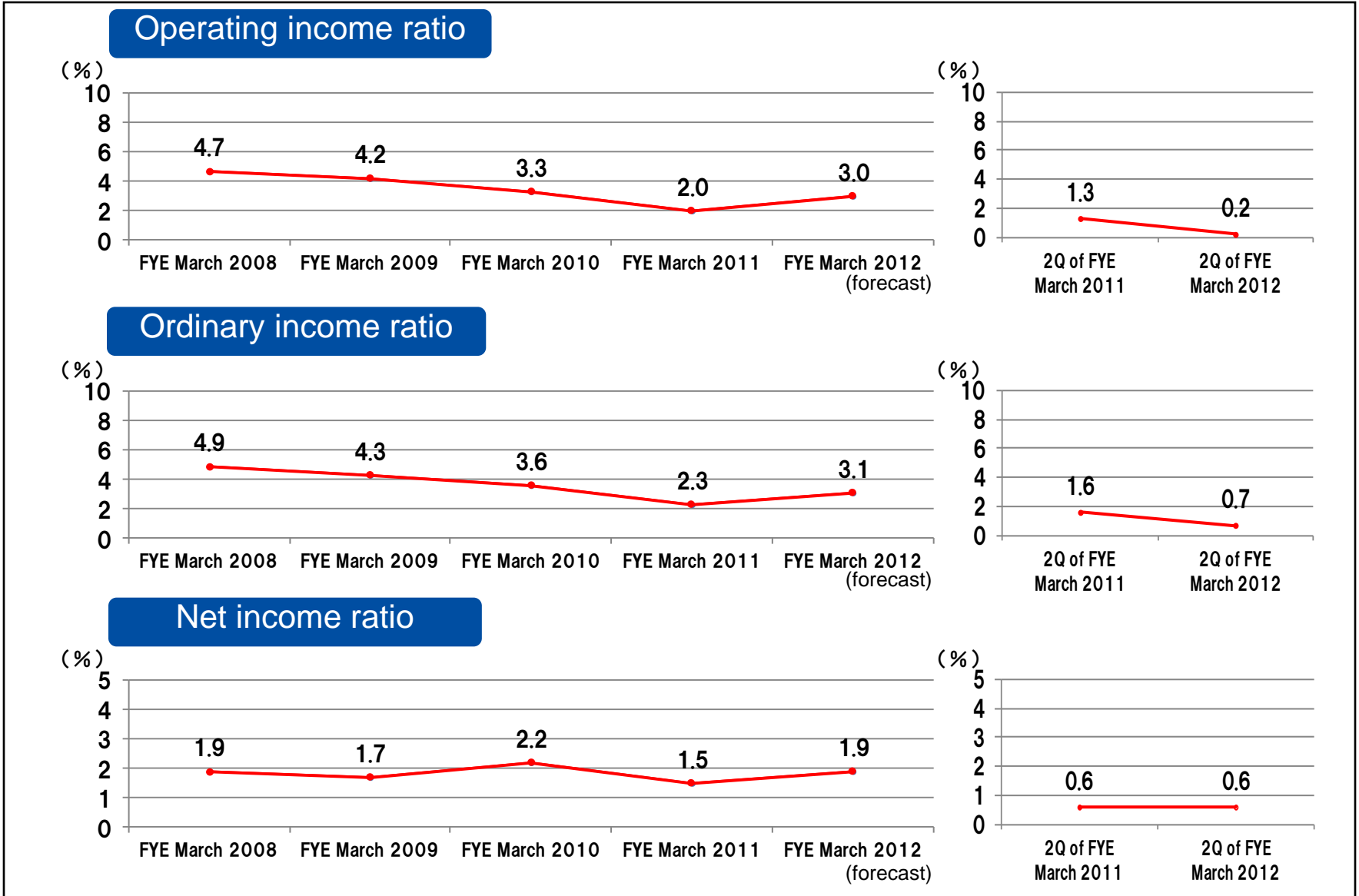


### Rate of SGA



(Note) Figures up to FYE March 2010 are simple added value of 3 integrated companies in various indices.

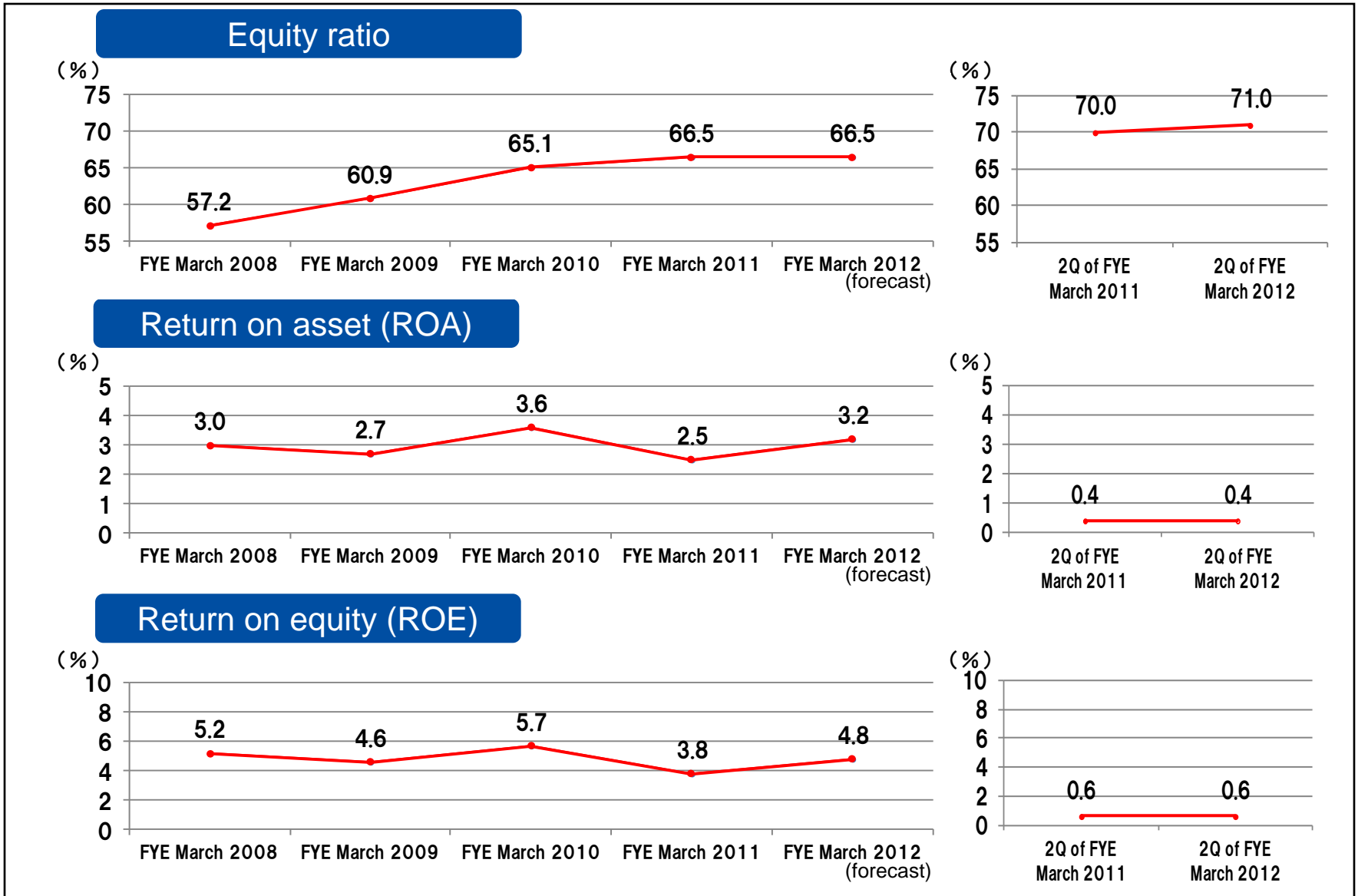
## 5. Indices 1)[Profit Rate]



(Notes)1. Figures up to FYE March 2010 are simple added value of 3 integrated companies in various indices.  
 2. Figures for FYE March 2011 is calculated by excluding the influenced amount of negative goodwill.



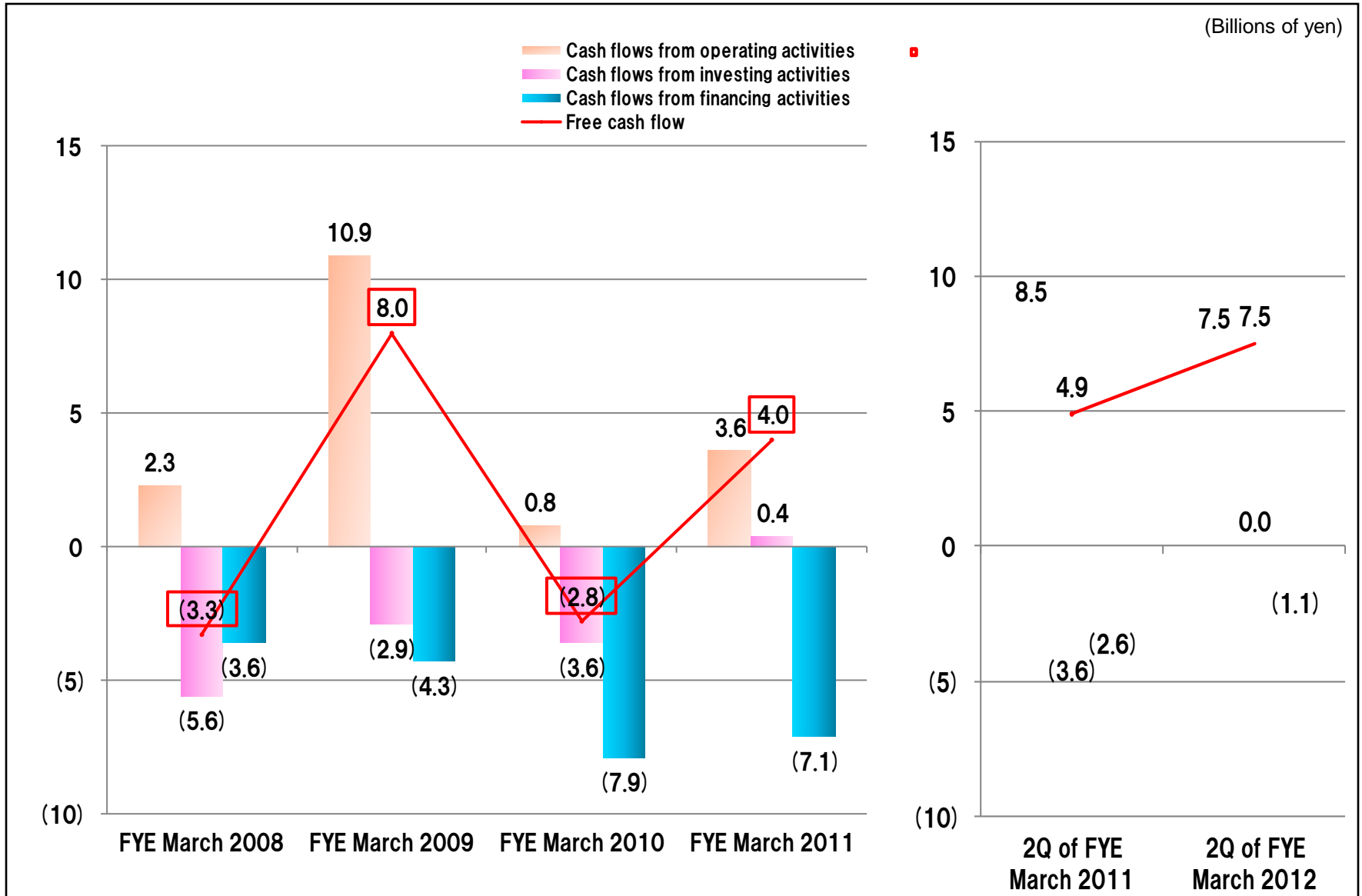
## 5. Indices 2) [Equity Ratio and ROA/ROE]



(Notes)1. Figures up to FYE March 2010 are simple added value of 3 integrated companies in various indices.

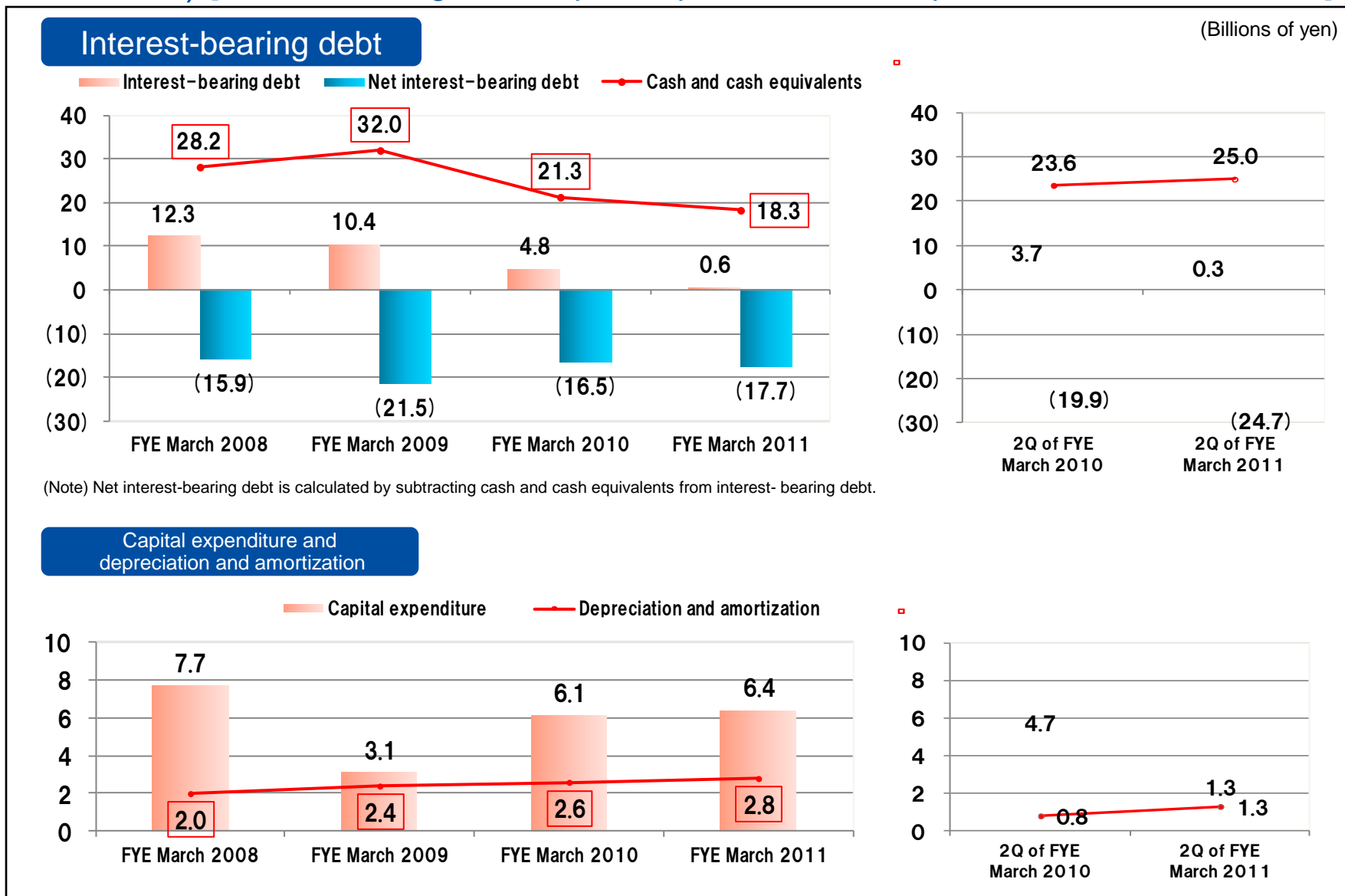
2. Figures for FYE March 2011 is calculated by excluding the influenced amount of negative goodwill.

## 5. Indices 3) [Cash Flows]



(Note) Figures up to FYE March 2010 are simple added value of 3 integrated companies in various indices.

## 5. Indices 4) [Interest-bearing debt, capital expenditure, and depreciation and amortization]



(Note) Figures up to FYE March 2010 are simple added value of 3 integrated companies in various indices.

Statements and quotes relevant to the forecasted values in this handout are the future prospects based on the plans and prospects of the Company at this point in time.

The actual business results could be significantly different from those stated in this handout and briefing due to changes in conditions.

As such, please be advised that we will not be able to guarantee the accuracy of the forecasted values, in this handout and the session, over the period of time to come in the future.

MIRAIT Holdings Corporation