Consolidated Financial Results
for the Fiscal Year Ended March 31, 2012
[Japanese GAAP]

May 10, 2012

Company name: MIRAIT Holdings Corporation
Stock exchange listing: Tokyo, Osaka
Code number: 1417
URL: http://mirait.co.jp/
Representative: Goro Yagihashi, Representative Director and President
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Scheduled date of Ordinary General Meeting of Shareholders: June 27, 2012
Scheduled date of filing annual securities report: June 28, 2012
Scheduled date of dividend payments: June 28, 2012
Availability of supplementary briefing material on annual results: available
Schedule of annual results briefing session: scheduled (for analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2012 (April 1, 2011 to March 31, 2012)

(1) Consolidated Operating Results (% indicates changes from the previous period.)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 31, 2012	236,038	26.8	5,267	28.7	6,183	29.2	3,251	(89.4)
Fiscal year ended March 31, 2011	186,168	-	4,092	-	4,785	-	30,559	-

(Note) Comprehensive income: Fiscal year ended March 31, 2012: 3,537 million yen ((88.5) %)
Fiscal year ended March 31, 2011: 30,652 million yen (- %)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	yen	yen	%	%	%
Fiscal year ended March 31, 2012	39.46	-	3.3	4.1	2.2
Fiscal year ended March 31, 2011	504.92	-	42.5	4.5	2.2

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2012: (53) million yen
Fiscal year ended March 31, 2011: 199 million yen

(Note) Net income per share for the fiscal year ended March 31, 2011 has been calculated by including the extraordinary income from the one-time amortization of negative goodwill generated at the time of the Company’s incorporation.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2012	153,711	102,917	65.3	1,218.42
As of March 31, 2011	148,307	100,764	66.5	1,197.76

(Reference) Equity: As of March 31, 2012: 100,403 million yen
As of March 31, 2011: 98,645 million yen

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Fiscal year ended March 31, 2012	5,457	(2,394)	(2,124)	19,657
Fiscal year ended March 31, 2011	(2,668)	4,482	(4,531)	18,336

2. Dividends

	Annual dividends per share					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended March 31, 2011	-	-	-	10.00	10.00	853	2.0	0.8
Fiscal year ended March 31, 2012	-	10.00	-	10.00	20.00	1,707	50.7	1.6
Fiscal year ending March 31, 2013 (Forecast)	-	10.00	-	10.00	20.00		50.0	

(Notes) The dividend payout ratio for the fiscal year ended March 31, 2011 has been calculated by including the extraordinary income from the one-time amortization of negative goodwill generated at the time of the Company's incorporation.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2013 (April 1, 2012 to March 31, 2013)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
First half	113,700	12.5	1,700	733.3	2,100	196.6	200	(65.8)	2.42
Full year	265,000	12.3	8,300	57.6	9,000	45.6	3,300	1.5	40.04

*** Notes**

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and corrections of errors

1) Changes in accounting policies due to the revision of accounting standards, etc.: No
2) Any changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: No
4) Corrections of errors: No

(3) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury stock):

March 31, 2012	85,381,866 shares	March 31, 2011	85,381,866 shares

2) Total number of treasury stock at the end of the period:

March 31, 2012	2,976,830 shares	March 31, 2011	3,023,966 shares

3) Average number of shares outstanding during the period:

March 31, 2012	82,393,481 shares	March 31, 2011	60,524,097 shares

*Status of execution of the audit of financial statements
This consolidated financial report is not subject to the audit of the annual financial statements under the Financial Instruments and Exchange Act. The procedures for said audit are being executed at the time of disclosing this report.

*Explanation for the appropriate use of financial forecasts and other special notes
- In conjunction with the adoption of accounting for business combination accompanying the establishment of the Company, numerical values concerning the fiscal year ended March 31, 2011 are based on the consolidated operating results of the previous consolidated fiscal year (from April 1, 2010 to March 31, 2011) of DAIMEI TELECOM ENGINEERING CORP., as the acquiring company, which have been consolidated with the consolidated operating results for the second half of the previous consolidated fiscal year (from October 1, 2010 to March 31, 2011) of Commuture Corp. and TODENTSU Corporation.
- While descriptions in this report regarding financial prospects and other future events are based on the information available at the time this report was prepared, and based on certain assumptions considered to be reasonable. Accordingly our actual business performance may differ significantly from the prospects due to a number of factors. For the assumptions as the basis for the financial forecasts and notes regarding the effective use of the financial forecasts, please refer to “Analysis of Operating Results” on page 2 of the appendix.
- The Company plans to convene a briefing session for analysts and institutional investors on Thursday, May 17, 2012. The briefing materials on annual results to be distributed at this session will be posted on the Company’s web site immediately following the session.

Contents of Appendix

Qualitative Information and Financial Statements

1. Operating Results

(1) Analysis of Operating Results

The Japanese economy during the fiscal year ended March 31, 2012 was marred by an strong sense of economic stagnation due to the impact of the Great East Japan Earthquake, the slowdown of overseas economies stemming from the European sovereign debt crisis, the strong yen which reached record-highs and other such causes of the deterioration in corporate earnings and the trade balance, in the addition to the growing fiscal deficit, prolonged deflation and uncertainties in the jobs market.

In the telecommunications sector, although capital expenditures by the carriers that are our Group's main clients were down during the first half of the year due mainly to the effects of the Earthquake, restoration of communications facilities in the Tohoku region progressed rapidly during the latter half of the year. In mobile communications, the shift to smartphones gained pace, leading to the expansion of networks to accommodate the increasing volume of data and facilities for offloading data, while capital expenditures gained momentum for 3.9-generation LTE[*1], which enables high-speed, high-capacity communications.

In such a business climate, the MIRAIT Group made concerted group-wide efforts to restore communications facilities damaged by the Earthquake, addressed the expansion of the optical communication network in fixed line communications, the development of various video-based services, the expansion of LTE, Wi-Fi[*2] spots and other services in mobile communications, and proactively tackled new ICT[*3] markets such as cloud computing and data center business. In January 2012, the Group added Nissetsu Co., Ltd.—specialists in air conditioning installation and maintenance—to its list of subsidiaries through stock acquisition, in an effort to strengthen and expand its function as a "comprehensive engineering & service company."

In other areas, in order to utilize the synergy created by management integration, we have pursued improvement and greater efficiency in management by such means as enhancing onsite KAIZEN activities, integrating mobile operations, sharing common tasks, and reducing fixed costs. Furthermore, in pursuit of integrated management of the Group's businesses to enable aggressive business expansion adapted to changes in the market, we are making preparations to reorganize the current Group structure consisting of three business companies into a structure consisting of two companies—namely, MIRAIT Corporation headquartered in Tokyo and MIRAIT Technologies Corporation headquartered in Osaka—in October 2012.

As a result, regarding consolidated business results for the fiscal year ended March 31, 2012, the decline in demand caused by the Earthquake was offset by the Group's vigorous efforts to expand new business domains and in disaster recovery, resulting in orders received of 252,085 million yen (a year-on-year increase of 4.4%). Net sales, meanwhile, amounted to 236,038 million yen (a year-on-year decrease of 4.3%) due to a decline in construction work carried over from the end of the preceding year and a drop in sales in the first half of this fiscal year, mainly in the mobile network solutions business owing to the effects of the Earthquake. In terms of profit, our efforts for productivity enhancement and cost-cutting through the pursuit of synergistic effects of the management integration offset the effects of decreased sales in mobile network solutions and other segments, resulting in operating income and ordinary income of 5,267 million yen (a year-on-year increase of 5.6%) and 6,183 million yen (a year-on-year increase of 7.0%), respectively. Net income amounted to 3,251 million yen (a year-on-year decrease of 89.4%), partly because the negative goodwill that had been generated at the time of the Company's incorporation in the previous consolidated fiscal year lost its effect.

(Note) Following the accounting for business combination upon establishment of the Group, consolidated operating results for the consolidated fiscal year are based on the consolidated operating results for the consolidated fiscal year before the previous consolidated fiscal year (April 1, 2010 to March 31, 2011) of DAIMEI TELECOM ENGINEERING CORP. as the acquiring company, consolidated with the consolidated operating results for Commuture Corp. and TODENTSU Corporation for the second half of said consolidated fiscal year (from October 1, 2010 to March 31, 2011).

Therefore, results for the previous consolidated fiscal year cannot be straightforwardly compared with results for the current consolidated fiscal year. For changes compared to the previous consolidated fiscal year in the text above, comparisons are with the figures below which combine the consolidated operating results for Commuture Corp. and TODENTSU Corporation for the six months ended September 30, 2010 (April 1, 2010 to September 30, 2010) with the consolidated operating results for the previous consolidated fiscal year.

(Millions of yen)

	Fiscal year ended March 31, 2011 (Combined figures)
Orders received	241,369
Net sales	246,603
Operating income	4,989
Ordinary income	5,777
Net income	30,609

*1 LTE: Long Term Evolution. A high-speed data communication standard that is an evolution of the currently widespread third generation mobile phone system. Also referred to as "3.9 generation mobile phone."

*2 Brand name for wireless LAN standard and wireless LAN related devices; registered trademark of Wi-Fi Alliance.

*3 ICT: Information and Communication Technology

[Business Results of the DAIMEI Group]

DAIMEI Group actively engaged in post-earthquake reconstruction work, terrestrial digital television transition projects, etc. Furthermore, the Group endeavored to improve costs in the NTT network engineering segment amid the slowdown in the net increase in the number of B Flet's subscribers. Its initiatives in the field of mobile communications included engaging in LTE switchover work and traffic offloading work as a solution for smartphones, while efforts were made to tap new ICT markets, such as cloud computing.

On the other hand, to bring about synergies through management integration, DAIMEI Group aggressively pursued improvement and greater efficiency in management including carrying out onsite KAIZEN activities, promoting the consolidation of MIRAIT Group's mobile operations into DAIMEI TELECOM ENGINEERING CORP., consolidating accounting operations and reducing selling, general and administrative expenses.

Under such circumstances, orders received amounted to 120,641 million yen, as the decline in demand and delays in orders received caused by the Earthquake were offset by the Group's aggressive efforts to expand new business domains (e.g., construction work on LTE and smartphone solutions, measures to keep mobile phones within range between subway stations) and in disaster recovery. On the other hand, net sales amounted to 109,992 million yen, as the increase in sales of post-earthquake reconstruction work was offset by delays in orders received in mobile network solutions due to the Earthquake and the decrease in engineering work related to IRU[*4] and construction work carried over from the end of the preceding year. In terms of profit, operating income amounted to 3,406 million yen, as a result of the increase in sales of NTT network engineering, improved profitability due to productivity enhancements, improved profitability of the terrestrial digital television transition project in the Tohoku region, reduction in selling, general and administrative expenses and so forth.

*4 IRU refers to the scheme which guarantees long-term uninterrupted use of municipalities-owned telecommunications facilities to private operators including NTT, while allowing municipalities to promote informatization.

[Business Results of the Commuture Group]

Commuture Group worked to improve corporate value and enhance business foundations based on its five basic policies, that is: *to make concerted group-wide efforts in post-earthquake reconstruction; bring about synergies through structural reform and management integration; convert existing businesses into a low-cost structure; generate stable profit;* and *tap and expand new businesses*. Especially in NTT network engineering, technology centers were consolidated and group companies were integrated in pursuit of greater operational efficiency, lower costs and higher construction quality of the Group as a whole, and a new system was introduced to radically review operations and improve efficiency, in an effort to further boost productivity.

In ICT and civil engineering and others, Commuture Group endeavored to train engineers with advanced expertise to meet the rapidly growing demand for the data center business, and tap and expand business domains including businesses involving the integration of communications and broadcasting based on collaboration with broadcast-related companies. The Group also established a new subsidiary to expand the software business targeted at local governments and small- and medium-sized enterprises (SMEs), turned an overseas enterprise into a subsidiary and enhanced the management capabilities and business foundations of overseas subsidiaries in view of expanding global businesses.

Under such circumstances, orders received and net sales amounted to 85,820 million yen and 87,312 million yen, respectively, due to such factors as the impact of the Great East Japan Earthquake, the decrease in IRU and terrestrial digital television broadcast work, and the review of the Group’s structure associated with measures to improve the productivity of MIRAIT Group’s mobile operations. Despite group-wide productivity-enhancing efforts and cost-cutting initiatives, operating income amounted to 649 million yen due to the effects of decrease in sales, etc.

[Business Results of the TODENTSU Group]

TODENTSU Group continued to carry out management reform and KAIZEN activities in an effort to reinforce its corporate strength and secure new orders, while engaging in post-earthquake reconstruction as a matter of top priority.

In NTT network engineering, TODENTSU Group contributed to the reconstruction of communications facilities in disaster-affected areas, established TODENTSU Network Corp. to enhance its business structure in the network sector, made efforts to reinforce the construction structure and improve its efficiency, and endeavored to develop a structure that enhances its revenue base.

In the civil engineering and others, TODENTSU Group turned Nissetsu Co., Ltd.—a company engaged in air conditioning and hygiene facilities installation work—into its subsidiary through stock acquisition, and built the foundations to not only engage in engineering work and maintenance in the fields of electricity, information, air conditioning and hygiene, but also take on challenges in the fields of environment and energy, by demonstrating synergies with existing businesses.

In the ICT, efforts were made to bolster marketing capabilities by such means as establishing a new organization specializing in contact center solutions in an effort to increase the orders received, and to expand business by engaging in proposal-oriented marketing based on close collaboration with partners.

Under such circumstances, orders received and net sales were 50,957 million yen and 44,154 million yen, respectively, as the delays in orders received as a result of the Earthquake were offset by orders received for new large-scale engineering works and electric facilities engineering works for temporary housing, temporary university buildings, etc. required in post-earthquake reconstruction. In terms of profits, operating income amounted to 714 million yen, due to such factors as improvements in profitability thanks to contracts won through proposal-oriented marketing, as well as improvements in productivity and the reduction of selling, general and administrative expenses on a group-wide scale.

[Business Results of MIRAIT Group (the holding company)]

As a holding company that serves the Group’s planning function including streamlining of operation and business development, along with finance, IR and general affairs functions, the Company has been engaged in business management and promotion of business strategies for the whole Group in return for 1,150 million yen in management fee paid by and 1,707 million yen in dividends received from the three business companies within the Group. As a result, the Company’s operating income amounted to 1,926 million yen.

(Outlook for Next Fiscal Year)

The Japanese economy in the fiscal year ending March 31, 2013 is riddled with such concerns as the instability of overseas economies, soaring prices of natural resources and the risk of the Japanese yen surging again. However, business confidence is expected to improve on the back of such developments as the recovery of personal consumption and exports and the economy being propped up by monetary easing by the Bank of Japan, not to mention that the reconstruction demand following the Great East Japan Earthquake is expected to serve as a drive force for the Japanese economy.

In the telecommunication sector, digital information appliances, smartphones and tablets are becoming increasingly popular, which have facilitated the development of a range of home networks based on the amalgamation of fixed and mobile communications, and that of telecommunication and broadcasting, and expanded a wide range of services. Especially in mobile communications, the development of an environment for providing higher quality services is underway, with the launch of new services based on the reallocation of frequencies, measures to resolve poor signal areas between subway stations, etc., full-scale LTE investments and the expansion of Wi-Fi spots as a measure to accommodate rapidly increasing communication traffic, and many other initiatives scheduled to be carried out.

In the field of ICT, the demand is increasing for outsourcing operations and data center business, and markets, etc. are expanding in environment and energy sectors.

Under such circumstances, the Group is committed to expanding its scope of business by aggressively taking business opportunities in growth markets focusing on the fields of mobile communications and ICT, while continuing to pursue synergies through management integration. We will seek to fulfill our vision as a “comprehensive engineering & service company,” by further enhancing the integrated operation of the Group, improving its management efficiency and implementing the growth strategies through reorganization of the Group’s businesses scheduled in October 2012.

For the forecast of the consolidated business results in the next fiscal year, we are expecting increases in both sales and profits through the aforementioned efforts: 261,300 million yen in orders received (3.7% increase year on year), 265,000 million yen in net sales (12.3% increase year on year), 8,300 million yen in operating income (57.6% increase year on year), 9,000 million yen in ordinary income (45.6% increase year on year) and 3,300 million yen in net income (1.5% increase year on year).

(2) Analysis of Financial Position

(Assets, Liabilities and Net Assets)

Total assets at the end of the current fiscal year amounted to 153,711 million yen, an increase of 5,404 million yen from the previous fiscal year end. This consisted of an increase in current assets and noncurrent assets by 5,178 million yen and 225 million yen, respectively, from the previous fiscal year end. This was primarily due to an increase in liquid funds on hand and accounts receivable-trade.

Total liabilities at the end of the current fiscal year increased by 3,251 million yen from the previous fiscal year end to 50,793 million yen. This consisted of an increase in current liabilities and noncurrent liabilities by 3,582 million yen and 331 million yen, respectively, from the previous fiscal year end. This was due primarily to an increase in notes and accounts payable-trade, such as accounts payable for construction contracts, and a decrease in negative goodwill, income taxes payable, etc.

Net assets at the end of the current fiscal year increased by 2,153 million yen from the previous fiscal year end to 102,917 million yen. This was primarily due to the increase in retained earnings by 2,427 million yen resulting from posting net income in the amount of 3,251 million yen.

As a result, equity ratio was 65.3% and net assets per share was 1,218.42 yen.

(Cash Flows)

Cash and cash equivalents (hereinafter referred to as “funds”) in the current fiscal year increased by 1,320 million yen from the previous fiscal year to 19,657 million yen.

Cash flows in each area of activities and the circumstances behind them were as follows.

1) Net cash provided by (used in) operating activities

Net cash provided by operating activities amounted to 5,457 million yen (compared to net cash used in operating activities in the amount of 2,668 million yen in the previous fiscal year), as the decrease in funds mainly due to income taxes paid in the amount of 2,618 million yen was offset by income before income taxes in the amount of 5,645 million yen and depreciation and amortization in the amount of 2,740 million yen.

2) Net cash provided by (used in) investing activities

Net cash used in investing activities amounted to 2,394 million yen (compared to net cash provided by investing activities in the amount of 4,482 million yen in the previous fiscal year), mainly due to the purchase of property, plant and equipment in the amount of 2,126 million yen.

3) Net cash provided by (used in) financing activities

Net cash used in financing activities amounted to 2,124 million yen (compared to net cash used in financing activities in the amount of 4,531 million yen in the previous fiscal year), due to the combined effect of repayment of long-term loans payable and cash dividends paid in the amount of 212 million yen and 1,673 million yen, respectively.

(Reference) Trends in the Group's cash flow indicators

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Equity ratio (%)	66.5	65.3
Marked-to-market equity ratio (%)	37.4	32.3
Ratio of cash flow to interest-bearing debt (%)	-	10.6
Interest coverage ratio (Times)	-	772.8

(Notes) 1. Calculation methods for each indicator are as follows:

Equity ratio:	Equity / Total assets
Marked-to-market equity ratio:	Total market capitalization / Total assets
Ratio of cash flow to interest-bearing debt:	Interest-bearing debt / Cash flows
Interest coverage ratio:	Cash flows / Interest payment

2. All indicators have been calculated based on consolidated financial data.
3. Total market capitalization is calculated by multiplying the closing share price as at the end of the fiscal year by the number of issued shares as at the end of the fiscal year (after deducting treasury stock).
4. Cash flows refer to net cash provided by (used in) operating activities on the Consolidated Statement of Cash Flows.
5. Interest-bearing debt refers to all liabilities on the Consolidated Balance Sheets for which interest is paid. Interest payment refers to the amount of interest paid on the Consolidated Statement of Cash Flows.
6. Cash flow to interest-bearing debt ratio and interest coverage ratio for the fiscal year ended March 31, 2011 are not presented here because cash flows in operating activities in said fiscal year turned out to be negative.

(3) Basic Policy of Appropriation of Profits and Dividend Payment for Current Fiscal Year and Next Fiscal Year

The Company makes it a basic policy to pay dividends consistently commensurate to its latest business performance and the trend of dividend payout ratio. Its internal reserve is used for reinforcing its financial position and for investing in the business development that can enhance its corporate value.

Dividends from surplus is basically paid out twice a year in the form of interim dividend and year-end dividend, based on the decision by the Board of Directors for the interim dividend while by the General Meeting of Shareholders for the year-end dividend. Payment of interim dividends as stipulated under Article 454, Paragraph 5 of the Companies Act has been specified by the Articles of Incorporation of the Company.

In line with the above policy, the Company is scheduled to pay 10 yen per share as year-end dividend for the fiscal year ended March 31, 2012. Accordingly, the annual dividend including the interim dividend of 10 yen per share is 20 yen per share.

As for the next fiscal year, 20 yen per share (10 yen each for interim dividend and year-end dividend) is scheduled.

(4) Business Risks

MIRAIT Group is exposed to the following risks that could have impact on its operating results and financial position. Forward-looking statements contained herein are based on the Group's judgment as at the end of the fiscal year ended March 31, 2012.

1) Risks associated with excessive dependence on particular clients

Principal clients of MIRAIT Group are NTT Group and other carriers that represent significant share of the Group's sales. Thus the trend of their capital expenditures or technological breakthroughs and other factors could have some impact on the Group's business performance.

2) Risks associated with safety and quality issues

MIRAIT Group is wholly committed to the safety and quality control over its engineering works to deliver quality engineering and services that deserve customers' trust and appreciation by making use of the safety and quality management system operated by the three main business companies.

In the event of serious accidents or other contingencies, however, it could mean serious social consequence and involve loss of clients' confidence and restriction on its operating activities, resulting in some impact on the Group's business results.

3) Risks associated with the management of critical information

In handling the critical information such as technical data and personal information from the clients, MIRAIT Group is wholly committed to the prevention of leakage of classified information through the use of ISMS (information security management system) operated by the three main business companies.

In the event of unforeseen information leakage, however, the Group may suffer liability for damages with potential impact on its financial results, let alone loss of the clients' confidence, which could have impact on the Group's business results.

4) Risks associated with the clients' credit uncertainty

MIRAIT Group is adopting measures to avoid credit risks by using external credit research agencies for credit management regarding clients and the contract review by the legal section.

In the event credit uncertainty arises at the clients, however, the Group might not be able to collect fees for engineering works or may be forced to delay works, which could result in the impact on its business results.

5) Risks associated with assets held by the Group

For operational necessity, MIRAIT Group holds assets in various forms including real estate and securities, whose fair values, however, could significantly fluctuate and adversely affect the Group's business results.

6) Risks associated with natural disasters

MIRAIT Group has adopted countermeasures against such events as natural disasters (e.g., earthquakes); however, in the event of contingencies such as shortage of electricity, fuel or materials resulting from such events, the Group's business results could be adversely affected.

2. Overview of the Corporate Group

MIRAIT Group comprising the Company as a holding company, three business companies, namely, DAIMEI TELECOM ENGINEERING CORP., Commuture Corp. and TODENTSU Corporation, and 33 consolidated subsidiaries operates the four main businesses namely NTT network engineering, mobile network solutions, ICT, and civil engineering and others. The Group's operational structure is as follows.

(As of March 31, 2012)

(Other affiliates)
Sumitomo Electric Industries, Ltd.

Clients

Telecommunications & engineering
- NTT network engineering
- Mobile network solutions
- ICT
- Civil engineering and others

MIRAIT Group

MIRAIT Holdings Corporation

DAIMEI Group

[Consolidated subsidiaries]
DAIMEI TELECOM ENGINEERING CORP.
DAIMEI NEXT CO., LTD.
DAIMEI TECHNO CO., LTD.
KOKKO SYSTEMS CO., LTD.
Tohoken System Engineering Corp.
Meisei Correspondence Co., Ltd.
Nisshin Tsuko Co., Ltd.
DAIMEI ENGINEERING CORP.
DAIMEI NETWORK CO., LTD.
DAIMEI TSUSAN CORP.
SINKO ELECTRIC CORP.
DAIMEI BUSINESSMATE CORP.
IP TECHNO SERVICE CORP.

Commuture Group

[Consolidated subsidiaries]
Commuture Corp.
Renat Kansai Co., Ltd.
Kinki Denki Corp.
Lapisnet Co., Ltd.
Sumiden Communication Engineering Co., Ltd.
A-rise Corp.
Nara Kensetsu Co., Ltd.
INFORMATION CREATIVE LABORATORY INC.
Simple Co., Ltd.
Ligare Co., Ltd.
COTONET ENGINEERING Co., Ltd.
Fucom Corp.
Ground Create Co., Ltd.
Comlead Co., Ltd.
Commuture Information Systems Co., Ltd.
Renat Tokyo Co., Ltd.
K-Soft Corp.

[Affiliates accounted for using the equity method]
Kinki Tushin Sangyo Co., Ltd.
MIRAIT PHILIPPINES, INC.

TODENTSU Group

[Consolidated subsidiaries]
TODENTSU Corporation
Todentsu Technos Corp.
Todentsu Access Corp.
Nissetsu Co., Ltd.
Todentsu Engineering West Japan Corp.
TODENTSU Network Corp.

[Affiliates accounted for using the equity method]
Nihon Sangyo Co., Ltd.
Hopenet Co., Ltd.

(Note) 1. TODENTSU Corporation turned Koyo Tsushin Co., Ltd. into its subsidiary through stock acquisition effective April 1, 2011. The trade name of Koyo Tsushin Co., Ltd. has been changed to TODENTSU Network Corp.

2. Commuture Corp. established K-Soft Corp. effective June 1, 2011 as its subsidiary.
3. Renat Kyoto Co,, Ltd. absorbed and merged with Miyakawa Jyoho Tsushin Co., Ltd. effective July 1, 2011, and changed its trade name to COTONET ENGINEERING Co., Ltd.
4. Renat Hyogo Co,, Ltd. absorbed and merged with Lapisnet Co., Ltd. effective October 1, 2011, and changed its trade name to Lapisnet Co., Ltd.
5. TODENTSU Corporation turned Nissetsu Co., Ltd. into its subsidiary through stock acquisition effective January 5, 2012.

3. Management Policies

(1) Basic Management Policies

With the purpose to accelerate restructuring to transform into a “comprehensive engineering & services company”, MIRAIT Group will be pursuing the following strategies to maximize its corporate value:

1) Expand businesses by fulfilling growth strategies;

2) Realize structural reform of businesses by business reorganization;

3) Increase earnings by improving efficiency and reducing costs of existing businesses; and

4) Develop corporate brand by ensuring safety, quality and compliance.

(2) Targeted Management Benchmark

MIRAIT Group is aiming to achieve the medium-term management plan (targeting 280,000 million yen net sales and 12,000 million yen operating income in the fiscal year ending March 31, 2014) developed from a medium-term perspective.

(3) Medium- to Long-term Management Strategies

MIRAIT Group is seeking to bring about synergies through management integration such as productivity improvements, enhance its growth strategies including expanding new businesses, and restructure itself into a “comprehensive engineering & services company”.

(4) Issues to be Addressed

MIRAIT Group has experienced some significant changes in the surrounded business environment in recent years. Investment structures of the carriers, our main clients, have also been changing. We acknowledge that there are challenges for the management of existing businesses in the MIRAIT Group, such as improvements in productivity and operational efficiency.

On the other hand, in the telecommunications industry, new services are rapidly expanding, driven by the dramatic dissemination of smartphones, tablets and other such terminals. There are also challenges in terms of expanding businesses in growth fields that appear promising in the future, as exemplified by the expansion of cloud computing and the growth of environment, energy and digital media markets.

Under these circumstances, the MIRAIT Group will make concerted efforts on a group-wide scale to take on the following challenges, based on the view that the fiscal year ending March 31, 2013 will be a turning point after management integration, considering its plan to reorganize businesses in October 2012.

1) Promptly realize the effects of integration and business reorganization

- Secure profit by boosting productivity and enhance the organization’s functions by improving the liquidity of human resources
- Promote business integration and consolidation measures by executing business reorganization in October
- Promote measures for integrated operation of mobile network solutions business
- Promote the standardization and consolidation of business processes of NTT network engineering business

2) Fulfill growth strategies based on “aggressive management”

- Expand business domains including the growing managed services market
- Proactively meet post-earthquake reconstruction demand which is gaining momentum
- Expand overseas businesses focusing on Asia-Pacific region
- Expand businesses in the fields of environment and energy

3) Reform the cost structure by improving operational efficiency, etc.

- Improve the rate of selling, general and administrative expenses by cost improvement measures
- Make cost improvements and roll them out across the organization by promoting “KAIZEN activities”

4) Develop “MIRAIT brand” based on safety, quality and compliance

- Strictly enforce safety, quality and compliance and make it common knowledge among all employees in the Group
- Integrate and implement “management system”

Precautionary statement:

This document contains forward-looking statements based on the plans, prospect, management strategies and policies of the Company as of its issuance. Such forward-looking statements describe business judgments and the assumptions based on the best available information at this point in time.

As such, actual business results could be significantly different from which stated in this document due to changes in conditions. Thus, please be advised that we will not be able to guarantee the accuracy of the forward-looking statements in this document over the period of time to come in the future.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Assets		
Current assets		
Cash and deposits	19,040	20,485
Notes receivable-trade	602	685
Accounts receivable from completed construction contracts	60,366	66,154
Accounts receivable-trade	2,087	2,706
Costs on uncompleted construction contracts and others	13,463	13,766
Prepaid expenses	398	414
Accounts receivable-other	1,533	835
Deferred tax assets	2,072	1,504
Other	3,390	1,390
Allowance for doubtful accounts	(210)	(19)
Total current assets	102,745	107,924
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	20,727	21,570
Machinery, vehicles, tools, furniture and fixtures	9,481	9,458
Land	17,779	17,524
Lease assets	1,708	609
Construction in progress	-	24
Accumulated depreciation	(19,186)	(19,095)
Total property, plant and equipment	30,510	30,092
Intangible assets		
Goodwill	172	596
Software	2,237	2,482
Other	36	219
Total intangible assets	2,446	3,297
Investments and other assets		
Investment securities	6,048	6,225
Long-term loans receivable	164	154
Deferred tax assets	2,632	2,905
Lease and guarantee deposits	983	1,022
Other	2,968	2,302
Allowance for doubtful accounts	(193)	(214)
Total investments and other assets	12,604	12,396
Total noncurrent assets	45,561	45,787
Total assets	148,307	153,711

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Liabilities		
Current liabilities		
Notes payable-trade	1,356	1,284
Accounts payable for construction contracts	23,139	29,307
Short-term loans payable	182	181
Accounts payable-other	1,174	1,231
Income taxes payable	1,480	799
Advances received on uncompleted construction contracts	762	753
Provision for loss on construction contracts	217	135
Provision for bonuses	1,946	2,257
Provision for directors’ bonuses	76	77
Provision for warranties for completed construction	11	11
Other	4,850	2,739
Total current liabilities	35,198	38,781
Noncurrent liabilities		
Long-term loans payable	220	44
Deferred tax liabilities	482	245
Deferred tax liabilities for land revaluation	50	44
Provision for retirement benefits	9,626	9,966
Provision for directors’ retirement benefits	374	406
Asset retirement obligations	68	70
Negative goodwill	1,080	806
Long-term accounts payable-other	284	188
Other	155	241
Total noncurrent liabilities	12,344	12,012
Total liabilities	47,542	50,793
Net assets		
Shareholders’ equity		
Capital stock	7,000	7,000
Capital surplus	26,766	25,947
Retained earnings	66,478	68,905
Treasury stock	(1,648)	(1,622)
Total shareholders’ equity	98,596	100,230
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	179	286
Revaluation reserve for land	(107)	(101)
Foreign currency translation adjustment	(23)	(11)
Total accumulated other comprehensive income	48	173
Minority interests	2,119	2,513
Total net assets	100,764	102,917
Total liabilities and net assets	148,307	153,711

(2) Consolidated Statement of Income and Comprehensive Income

(Millions of yen)

	Previous fiscal year (From April 1, 2010 to March 31, 2011)	Current fiscal year (From April 1, 2011 to March 31, 2012)
Net sales of completed construction contracts	186,168	236,038
Cost of sales of completed construction contracts	167,516	211,994
Gross profit on completed construction contracts	18,651	24,044
Selling, general and administrative expenses	14,559	18,776
Operating income	4,092	5,267
Non-operating income		
Interest income	11	19
Dividends income	121	165
Amortization of negative goodwill	271	274
Real estate rent	38	23
Surrender value of insurance	-	339
Equity in earnings of affiliates	199	-
Miscellaneous income	211	188
Total non-operating income	853	1,012
Non-operating expenses		
Interest expenses	15	7
Organization expenses	70	-
Equity in losses of affiliates	-	53
Miscellaneous expenses	75	34
Total non-operating expenses	160	95
Ordinary income	4,785	6,183
Extraordinary income		
Gain on sales of noncurrent assets	658	127
Gain on sales of investment securities	212	51
Reversal of allowance for doubtful accounts	439	-
Surrender value of insurance	208	-
Gain on negative goodwill	26,862	109
Gain on step acquisitions	137	-
Other	34	19
Total extraordinary income	28,553	308
Extraordinary loss		
Loss on sales of noncurrent assets	297	63
Loss on retirement of noncurrent assets	143	55
Impairment loss	51	5
Loss on sales of investment securities	64	0
Loss on valuation of investment securities	27	203
Management integration expenses	320	-
Loss on step acquisitions	77	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	22	-
Loss on disaster of the earthquake	23	-
Loss on specific construction contracts	-	261
Litigation expenses	-	141
Other	213	115
Total extraordinary loss	1,242	847
Income before income taxes	32,097	5,645
Income taxes-current	1,720	1,988
Income taxes-deferred	(282)	243
Total income taxes	1,438	2,232
Income before minority interests	30,658	3,412
Minority interests in income	99	161
Net income	30,559	3,251

(Millions of yen)

	Previous fiscal year (From April 1, 2010 to March 31, 2011)	Current fiscal year (From April 1, 2011 to March 31, 2012)
Minority interests in income	99	161
Income before minority interests	30,658	3,412
Other comprehensive income		
Valuation difference on available-for-sale securities	19	105
Revaluation reserve for land	(1)	6
Share of other comprehensive income of associates accounted for using equity method	(24)	12
Total other comprehensive income	(6)	124
Comprehensive income	30,652	3,537
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	30,554	3,376
Comprehensive income attributable to minority interests	97	160

(3) Consolidated Statement of Changes in Net Assets

(Millions of yen)

	Previous fiscal year (From April 1, 2010 to March 31, 2011)	Current fiscal year (From April 1, 2011 to March 31, 2012)
Shareholders' equity		
Capital stock		
Balance at the beginning of the period	5,610	7,000
Changes of items during the period		
Increase by share transfers	1,389	-
Total changes of items during the period	1,389	-
Balance at the end of the period	7,000	7,000
Capital surplus		
Balance at the beginning of the period	4,025	26,766
Changes of items during the period		
Dividends from surplus	-	(823)
Increase by share transfers	22,737	-
Disposal of treasury stock	3	4
Total changes of items during the period	22,740	(819)
Balance at the end of the period	26,766	25,947
Retained earnings		
Balance at the beginning of the period	37,253	66,478
Changes of items during the period		
Dividends from surplus	(776)	(824)
Net income	30,559	3,251
Disposal of treasury stock	(558)	-
Total changes of items during the period	29,224	2,427
Balance at the end of the period	66,478	68,905
Treasury stock		
Balance at the beginning of the period	(1,634)	(1,648)
Changes of items during the period		
Increase by share transfers	(378)	-
Purchase of treasury stock	(216)	(1)
Disposal of treasury stock	580	27
Total changes of items during the period	(13)	25
Balance at the end of the period	(1,648)	(1,622)
Total shareholders' equity		
Balance at the beginning of the period	45,255	98,596
Changes of items during the period		
Increase by share transfers	23,748	-
Dividends from surplus	(776)	(1,647)
Net income	30,559	3,251
Purchase of treasury stock	(216)	(1)
Disposal of treasury stock	24	31
Total changes of items during the period	53,340	1,633
Balance at the end of the period	98,596	100,230

(Millions of yen)

	Previous fiscal year (From April 1, 2010 to March 31, 2011)	Current fiscal year (From April 1, 2011 to March 31, 2012)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of the period	159	179
Changes of items during the period		
Net changes of items other than shareholders' equity	20	107
Total changes of items during the period	20	107
Balance at the end of the period	179	286
Revaluation reserve for land		
Balance at the beginning of the period	(105)	(107)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1)	6
Total changes of items during the period	(1)	6
Balance at the end of the period	(107)	(101)
Foreign currency translation adjustment		
Balance at the beginning of the period	-	(23)
Changes of items during the period		
Net changes of items other than shareholders' equity	(23)	12
Total changes of items during the period	(23)	12
Balance at the end of the period	(23)	(11)
Total accumulated other comprehensive income		
Balance at the beginning of the period	53	48
Changes of items during the period		
Net changes of items other than shareholders' equity	(5)	125
Total changes of items during the period	(5)	125
Balance at the end of the period	48	173
Minority interests		
Balance at the beginning of the period	1,176	2,119
Changes of items during the period		
Net changes of items other than shareholders' equity	942	394
Total changes of items during the period	942	394
Balance at the end of the period	2,119	2,513
Total net assets		
Balance at the beginning of the period	46,485	100,764
Changes of items during the period		
Increase by share transfers	23,748	-
Dividends from surplus	(776)	(1,647)
Net income	30,559	3,251
Purchase of treasury stock	(216)	(1)
Disposal of treasury stock	24	31
Net changes of items other than shareholders' equity	937	520
Total changes of items during the period	54,278	2,153
Balance at the end of the period	100,764	102,917

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Previous fiscal year (From April 1, 2010 to March 31, 2011)	Current fiscal year (From April 1, 2011 to March 31, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes	32,097	5,645
Depreciation and amortization	2,251	2,740
Amortization of goodwill and negative goodwill	-	(203)
Impairment loss	51	5
Gain on negative goodwill	(26,862)	(109)
Equity in (earnings) losses of affiliates	(199)	53
Increase (decrease) in allowance for doubtful accounts	(516)	(180)
Increase (decrease) in provision for bonuses	42	21
Increase (decrease) in provision for retirement benefits	(487)	(56)
Increase (decrease) in provision for loss on construction contracts	45	(129)
Increase (decrease) in other provision	92	(17)
Interest income and dividends income	(133)	(185)
Interest expenses	15	7
Foreign exchange losses (gains)	0	1
Loss (gain) on sales of investment securities	(147)	(50)
Loss (gain) on valuation of investment securities	27	203
Loss (gain) on sales and retirement of property, plant and equipment	(211)	(34)
Decrease (increase) in notes and accounts receivable-trade	(9,892)	(4,281)
Decrease (increase) in costs on uncompleted construction contracts and others	3,995	460
Increase (decrease) in notes and accounts payable-trade	1,405	1,716
Increase (decrease) in advances received on uncompleted construction contracts	(214)	125
Loss on adjustment for changes of accounting standard for asset retirement obligations	22	-
Increase/decrease in other assets/liabilities	(2,902)	2,384
Increase (decrease) in accrued consumption taxes	276	-
Decrease (increase) in consumption taxes receivable	-	(99)
Other, net	(210)	10
Subtotal	(1,454)	8,028
Interest and dividends income received	130	196
Interest expenses paid	(13)	(7)
Litigation expenses	-	(141)
Income taxes paid	(1,331)	(2,618)
Net cash provided by (used in) operating activities	(2,668)	5,457

(Millions of yen)

	Previous fiscal year (From April 1, 2010 to March 31, 2011)	Current fiscal year (From April 1, 2011 to March 31, 2012)
Net cash provided by (used in) investing activities		
Payments into time deposits	(562)	(665)
Proceeds from withdrawal of time deposits	672	540
Purchase of property, plant and equipment	(1,735)	(2,126)
Proceeds from sales of property, plant and equipment	5,514	1,346
Purchase of intangible assets	(400)	(984)
Proceeds from sales of intangible assets	3	-
Purchase of investment securities	(192)	(241)
Proceeds from sales of investment securities	727	131
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(53)	(938)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	349	-
Net decrease (increase) in short-term loans receivable	-	(96)
Payments of loans receivable	-	(70)
Collection of loans receivable	27	103
Proceeds from cancellation of insurance funds	309	469
Other, net	(175)	135
Net cash provided by (used in) investing activities	4,482	(2,394)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(2,212)	(29)
Repayment of long-term loans payable	(1,058)	(212)
Purchase of treasury stock	(216)	(0)
Proceeds from sales of treasury stock	2	0
Cash dividends paid	(773)	(1,641)
Cash dividends paid to minority shareholders	(275)	(32)
Repayments of finance lease obligations	-	(208)
Other, net	1	-
Net cash provided by (used in) financing activities	(4,531)	(2,124)
Effect of exchange rate change on cash and cash equivalents	0	(1)
Net increase (decrease) in cash and cash equivalents	(2,717)	936
Cash and cash equivalents at beginning of period	7,640	18,336
Net increase in cash and cash equivalents resulting from share transfers	13,413	-
Net increase in cash and cash equivalents resulting from change in scope of consolidation	-	383
Cash and cash equivalents at end of period	18,336	19,657

(5) Notes on Going Concern Assumption

Not Applicable.

(6) Additional Information

(Application of the Accounting Standard for Accounting Changes and Error Corrections)

For accounting changes and past error corrections made on or after April 1, 2011, the Company adopted "Accounting Standard for Accounting Changes and Error Corrections" (Accounting Standards Board of Japan (ASBJ) Statement No. 24, December 4, 2009) and "Guidance on Accounting Standard for Accounting Changes and Error Corrections " (ASBJ Guidance No. 24, December 4, 2009).

(Introduction of Consolidated Taxation System)

Effective from the fiscal year ended March 31, 2012, the Company introduced the consolidated taxation system.

(Standardization of Accounting Procedures adopted by Consolidated Subsidiaries)

Accounting for surrender value of insurance has been standardized from the fiscal year ended March 31, 2012, to be treated as an item of non-operating income, for the purpose of disclosing the business results in an appropriate manner as a corporate group after management integration.

(7) Notes to Consolidated Financial Statements

(Segment Information)

1. Segment overview

The reportable segments of the Company refer to the components of the Company whose separate financial information is available, and which are regularly reviewed by the Board of Directors in order to determine allocation of management resources and evaluate performance.

In the MIRAIT Group, which is under the control of the Company (the holding company); each group, mainly through a company serving as a business headquarter draws up comprehensive strategies and engages in activities relating to the businesses for which the group is responsible.

Therefore the segments of the Company comprises the different groups led by the companies serving as headquarters, and the Company consists of three reportable segments, namely, the “DAIMEI Group,” the “Commuture Group,” and the “TODENTSU Group.”

2. Information regarding the amounts of sales and income, assets and other items by reportable segment

For the current fiscal year (from April 1, 2011 to March 31, 2012)

(Millions of yen)

	DAIMEI Group	Commuture Group	TODENTSU Group	Total	Other Business (Note 1)	Total	Adjustments (Note 2)	Consolidated Financial Statements Amount (Note 3)
Net sales								
Net sales to external customers	107,894	85,387	42,756	236,038	-	236,038	-	236,038
Inter-segment sales or transfers	2,098	1,925	1,398	5,421	2,857	8,279	(8,279)	-
Total	109,992	87,312	44,154	241,460	2,857	244,317	(8,279)	236,038
Segment income	3,406	649	714	4,770	1,926	6,697	(1,429)	5,267
Segment assets	72,427	62,027	28,929	163,385	78,692	242,078	(88,366)	153,711
Other items								
Depreciation and amortization	1,391	993	321	2,706	33	2,740	-	2,740
Increase in property, plant and equipment and intangible assets	821	2,256	345	3,423	11	3,434	-	3,434

(Notes) 1. “Other Business” represents the Company (pure holding company) not attributable to business segments.

2. The amounts in adjustments are as follows.

(1) Adjustments for segment income in the amount of (1,429) million yen include adjustments for dividends, retirement benefits and goodwill in the amount of (1,707) million yen, 165 million yen and 96 million yen, respectively.

(2) Adjustments for segment assets in the amount of (88,366) million yen include the netting of investments and capital and the netting of receivables and payables in the amount of (64,955) million yen and (18,173) million yen, respectively.

3. Segment income is adjusted to the operating income in the Consolidated Statement of Income and Comprehensive Income.

(Per Share Information)

Net assets per share, net income per share and the basis for calculation are as follows.

Item	Previous fiscal year (As of March 31, 2011)	Current fiscal year (As of March 31, 2012)
(1) Net assets per share	1,197.76 yen	1,218.42 yen

Item	Previous fiscal year (From April 1, 2010 to March 31, 2011)	Current fiscal year (From April 1, 2011 to March 31, 2012)
(2) Net income per share	504.92 yen	39.46 yen
Basis for calculation		
Net income stated in the Consolidated Statement of Income and Comprehensive Income (million yen)	30,559	3,251
Net income not attributable to common shareholders (million yen)	-	-
Net income related to common stocks (million yen)	30,559	3,251
Average number of common stocks during the fiscal year (thousand shares)	60,524	82,393

(Note) Diluted net income per share is not stated since there is no dilutive security.

(Significant Subsequent Event)

At the meeting of the Board of Directors held today (May 10, 2012), the Company passed a resolution to transform the existing three-company structure consisting of wholly-owned subsidiaries DAIMEI TELECOM ENGINEERING CORP., Commuture Corp. and TODENTSU Corporation into a two-company structure consisting of a company with an amended trade name headquartered in Tokyo resulting from the merger of DAIMEI TELECOM ENGINEERING CORP. and TODENTSU Corporation, and a company with an amended trade name headquartered in Osaka originating from Commuture Corp. For details, please refer to “Announcement of Group Business Restructuring (Merger of Subsidiaries and Changes in Trade Names)” released separately today.