Consolidated Financial Results
for the Three Months Ended June 30, 2012
[Japanese GAAP]

August 9, 2012

Company name: MIRAIT Holdings Corporation
Stock exchange listing: Tokyo, Osaka
Code number: 1417
URL: http://mirait.co.jp/
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Scheduled date of filing quarterly securities report: August 10, 2012
Scheduled date of commencing dividend payments: —
Availability of supplementary briefing material on quarterly results: available
Schedule of quarterly results briefing session: not scheduled

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2012 (April 1, 2012 to June 30, 2012)

(1) Consolidated Operating Results (cumulative)

(% indicates changes from the previous period.)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended June 30, 2012	52,263	8.8	1,179	—	1,390	—	(1,164)	—
Three months ended June 30, 2011	48,036	—	(539)	—	(194)	—	47	—

(Note) Comprehensive income: Three Months Ended June 30, 2012 (1,290 million yen) (—%)
Three Months Ended June 30, 2011 77 million yen (—%)

	Net income per share	Diluted net income per share
	yen	yen
Three months ended June 30, 2012	(14.13)	—
Three months ended June 30, 2011	0.58	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
Three months ended June 30, 2012	148,183	100,785	66.3
As of March 31, 2012	153,711	102,917	65.3

(Reference) Equity: As of June 30, 2012 98,271 million yen
As of March 31, 2012 100,403 million yen

2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2012	—	10.00	—	10.00	20.00
Fiscal year ending March 31, 2013	—				
Fiscal year ending March 31, 2013 (Forecast)		10.00	—	10.00	20.00

(Note) Revision of dividend forecasts from recently announced figures: Not applicable

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 (cumulative)	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

(Note) Revision of forecast of financial results from recently announced figures: Not applicable

* Notes:

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

(2) Application of specific accounting treatments for preparing of consolidated quarterly financial statements: Applicable

(3) 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. : Applicable

2) Any changes in accounting policies other than 1) above : No

3) Changes in accounting estimates : Applicable

4) Corrections of errors : No

(Note) Article 10-5 of the Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements applies. For further details, see "2. Other Information (3) Changes in Accounting Policies, Changes in Accounting Estimates and Corrections of Errors" on page 3 of the appendix.

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

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

June 30, 2012 : 85,381,866 shares	March 31, 2012 : 85,381,866 shares

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

June 30, 2012 : 2,973,748 shares	March 31, 2012 : 2,976,830 shares

3) Average number of shares outstanding during the period:

June 30, 2012 : 82,405,941 shares	June 30, 2011 : 82,356,872 shares

*Status of execution of the quarterly review of financial statements

This consolidated financial report is not subject to the quarterly review of the financial statements under the Financial Instruments and Exchange Act. The procedures for said quarterly review have been executed at the time of disclosing this report.

*Explanation for the appropriate use of financial forecasts and other special notes

- The supplementary briefing material on quarterly results will be published on the website on Friday, August 10, 2012.
- 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 “Qualitative Information on Consolidated Financial Results Forecast” on page 3 of the appendix.

Contents of Appendix

1. Qualitative Information on Consolidated Performance for the Period under Review

(1) Qualitative Information on Consolidated Operating Results

During the three months ended June 30, 2012, conditions in the Japanese economy generally showed signs of recovery due to upward momentum provided by policies such as the full-scale reconstruction effort following the Great East Japan Earthquake and eco-car purchase subsidies despite the ongoing decline in exports caused by the slowdown of the Chinese economy and economic concerns in Europe.

In the telecommunications sector, services and devices diversified, leading to a situation requiring emphasis on how to provide new value in telecommunications services. This has led to rapid progress in the rollout of network environments such as the expansion of the service areas of NGN[*1], LTE[*2] and Wi-Fi[*3], communications between subway stations, and data offloading.

Meanwhile, attention has been drawn to the importance of BCP[*4] and diversity of telecommunications services through cloud computing, with datacenter business and related services proving to be a catalyst for new expansion of the ICT[*5] market.

In such a business climate, the MIRAIT Group continued to strive to restore communications facilities damaged by the Earthquake, and proactively engaged in the creation and preparation of all types of networks aimed at the diversification and advancement of services, regardless of whether in fixed line communications or mobile communications.

Furthermore, along with the data center business and related services such as server construction, maintenance and monitoring, the Group has been focusing on environmental businesses, for instance, the provision of solar power as other new energy sources, and power-saving equipment. We have also worked to establish foundations aimed at expanding future business into areas such as "Total Consulting and Solution for Building and Office Services" centered on telecommunications, electricity and air conditioning, along with "ICT Management Services".

In other areas, in order to utilize the synergy created by management integration implemented in October 2010, we have sought to enhance our management foundation and improve efficiency by such means as expanding on-site 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 this year.

Regarding consolidated results for the three months ending June 30, 2012, proactive efforts to expand into new business areas resulted in orders received of 64,440 million yen (a year-on-year increase of 11.1%) and net sales of 52,263 million yen (a year-on-year increase of 8.8%). In terms of profit, our efforts for productivity enhancement and cost-cutting through the pursuit of synergistic effects of the management integration resulted in operating income and ordinary income of 1,179 million yen (an operating loss of 539 million yen was posted in the same period of the previous year) and 1,390 million yen (an ordinary loss of 194 million yen was posted in the same period of the previous year), respectively.

Net loss was of 1,164 million yen (net income of 47 million yen was posted in the same period of the previous year) was posted due to an extraordinary loss being posted for the expenses related to restructuring of the Group's business, such as unification of the payment period covered by the provision for bonuses.

*1 NGN: Next Generation Network

*2 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.”

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

*4 BCP: Business Continuity Plan

*5 ICT: Information and Communication Technology

(2) Qualitative Information on Consolidated Financial Position

Total assets at the end of the first quarter decreased by 5,527 million yen compared to the end of the previous fiscal year to 148,183 million yen. This was due primarily to a decrease in accounts receivable-trade, including accounts receivable from completed construction contracts, despite an increase in liquid funds on hand and costs on uncompleted construction contracts and others.

Total liabilities at the end of the quarter decreased by 3,395 million yen compared to the end of the previous fiscal year to 47,398 million yen. This was due primarily to a decrease in notes payable-trade/accounts payable for construction contracts.

Net assets decreased by 2,131 million yen compared to the end of the previous fiscal year to 100,785 million yen. This was due primarily to posting a net loss and the payment of dividends.

As a result, the equity ratio was 66.3% (65.3% at the end of the previous fiscal year).

(3) Qualitative Information on Consolidated Financial Results Forecast

In terms of the consolidated financial results forecast for the fiscal year ending March 31, 2013, there are no changes to the forecast announced on May 10, 2012.

2. Other Information

(1) Changes in Significant Subsidiaries during the Period under Review

Not Applicable.

(2) Application of Specific Accounting Treatments for Preparing of Consolidated Quarterly Financial Statements

Calculation of Tax Expense

The Company calculates its tax expense by reasonably estimating its effective tax rate after application of tax effect accounting to income before income taxes for the current fiscal year, including the first quarter ended June 30, 2012 and multiplying the net income before income taxes by this estimated effective tax rate.

Also, the Company calculates its tax expense using the statutory tax rate if calculating it using the relevant estimated effective tax rate significantly lacks rationality.

(3) Changes in Accounting Policies, Changes in Accounting Estimates and Corrections of Errors

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

The Company and its domestic consolidated subsidiaries have changed the method of depreciation of property, plant and equipment acquired on April 1, 2012 or later based on the amended Corporation Tax Act from the first quarter ended June 30, 2012 due to the amendment to the Corporation Tax Act.

The effect of the change to the method of depreciation is minor.

(4) Additional Information

(Expenses related to the reorganization of the current Group structure)

Consolidated subsidiaries DAIMEI TELECOM ENGINEERING CORP. and TODENTSU Corporation have adopted unified payment periods covered by the provision for bonuses from the first quarter ended June 30, 2012 as a part of group reorganization. In addition to the expenses related to this, the Company recorded other expenses including retirement expenses for noncurrent assets. In total, 2,867 million yen was posted as extraordinary loss (restructuring expenses).

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2012	As of June 30, 2012
Assets		
Current assets		
Cash and deposits	20,485	19,305
Notes receivable-trade / Accounts receivable from completed construction contracts	69,546	47,395
Securities	-	9,000
Costs on uncompleted construction contracts and others	13,766	21,281
Deferred tax assets	1,504	1,708
Other	2,640	3,541
Allowance for doubtful accounts	(19)	(20)
Total current assets	107,924	102,212
Noncurrent assets		
Property, plant and equipment		
Buildings and structures (net)	10,879	10,960
Land	17,524	17,542
Construction in progress	24	54
Other (net)	1,663	1,571
Total property, plant and equipment	30,092	30,129
Intangible assets		
Goodwill	596	604
Software	2,482	2,449
Other	219	262
Total intangible assets	3,297	3,315
Investments and other assets		
Investment securities	6,225	6,033
Long-term loans receivable	154	302
Deferred tax assets	2,905	3,234
Lease and guarantee deposits	1,022	1,100
Other	2,302	2,046
Allowance for doubtful accounts	(214)	(191)
Total investments and other assets	12,396	12,526
Total noncurrent assets	45,787	45,971
Total assets	153,711	148,183

(Millions of yen)

	As of March 31, 2012	As of June 30, 2012
Liabilities		
Current liabilities		
Notes payable-trade / Accounts payable for construction contracts	30,592	25,198
Short-term loans payable	181	100
Income taxes payable	799	133
Advances received on uncompleted construction contracts	753	1,858
Provision for loss on construction contracts	135	171
Provision for bonuses	2,257	2,187
Provision for directors' bonuses	77	17
Provision for warranties for completed construction	11	14
Other	3,971	5,645
Total current liabilities	38,781	35,328
Noncurrent liabilities		
Long-term loans payable	44	4
Deferred tax liabilities	245	265
Deferred tax liabilities for land revaluation	44	44
Provision for retirement benefits	9,966	9,865
Provision for directors' retirement benefits	406	363
Asset retirement obligations	70	71
Negative goodwill	806	737
Long-term accounts payable-other	188	180
Other	241	536
Total noncurrent liabilities	12,012	12,069
Total liabilities	50,793	47,398
Net assets		
Shareholders' equity		
Capital stock	7,000	7,000
Capital surplus	25,947	25,947
Retained earnings	68,905	66,916
Treasury stock	(1,622)	(1,621)
Total shareholders' equity	100,230	98,242
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	286	134
Revaluation reserve for land	(101)	(101)
Foreign currency translation adjustment	(11)	(4)
Total accumulated other comprehensive income	173	28
Minority interests	2,513	2,513
Total net assets	102,917	100,785
Total liabilities and net assets	153,711	148,183

(2) Consolidated Quarterly Statements of Income and Comprehensive Income

Three Months Ended June 30, 2012

(Millions of yen)

	Three months ended June 30, 2011 (From April 1, 2011 to June 30, 2011)	Three months ended June 30, 2012 (From April 1, 2012 to June 30, 2012)
Net sales of completed construction contracts	48,036	52,263
Cost of sales of completed construction contracts	43,674	46,406
Gross profit on completed construction contracts	4,362	5,856
Selling, general and administrative expenses	4,901	4,677
Operating income or operating loss	(539)	1,179
Non-operating income		
Interest income	3	6
Dividends income	87	94
Amortization of negative goodwill	67	68
Real estate rent	7	11
Surrender value of insurance	112	25
Other	74	69
Total non-operating income	353	274
Non-operating expenses		
Interest expenses	2	1
Foreign exchange losses	1	19
Other	4	43
Total non-operating expenses	8	63
Ordinary income or ordinary loss	(194)	1,390
Extraordinary income		
Gain on sales of noncurrent assets	1	2
Gain on sales of investment securities	18	—
Gain on negative goodwill	66	—
Other	2	—
Total extraordinary income	88	2
Extraordinary loss		
Litigation expenses	141	—
Restructuring expenses	—	2,867
Other	16	285
Total extraordinary loss	158	3,153
Income (loss) before income taxes	(264)	(1,760)
Income taxes	(300)	(615)
Income (loss) before minority interests	35	(1,144)
Minority interests in income (loss)	(11)	19
Net income (loss)	47	(1,164)

(Millions of yen)

	Three months ended June 30, 2011 (From April 1, 2011 to June 30, 2011)	Three months ended June 30, 2012 (From April 1, 2012 to June 30, 2012)
Minority interests in income (loss)	(11)	19
Income (loss) before minority interests	35	(1,144)
Other comprehensive income		
Valuation difference on available-for-sale securities	16	(152)
Share of other comprehensive income of associates accounted for using equity method	26	7
Total other comprehensive income	42	(145)
Comprehensive income	77	(1,290)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	89	(1,309)
Comprehensive income attributable to minority interests	(12)	19

(3) Notes on Going Concern Assumption

Not Applicable.

(4) Notes to Significant Changes in the Amount of Shareholders' Equity

Three Months Ended June 30, 2012 (from April 1, 2012 to June 30, 2012)

There were no significant changes to shareholders’ equity compared to the end of the previous fiscal year.