

Consolidated Financial Results
for the Nine Months Ended December 31, 2012
[Japanese GAAP]

February 8, 2013

Company name: MIRAIT Holdings Corporation
 Stock exchange listing: Tokyo, Osaka
 Code number: 1417
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 Scheduled date of filing quarterly securities report: February 13, 2013
 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 Nine Months Ended December 31, 2012 (April 1, 2012 to December 31, 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	%
Nine Months Ended December 31, 2012	178,609	16.4	5,723	—	6,435	478.1	1,048	202.5
Nine Months Ended December 31, 2011	153,385	41.9	438	(63.0)	1,113	(25.5)	346	(98.8)

(Note) Comprehensive income:

Nine Months Ended December 31, 2012 1,374 million yen (566.4%)

Nine Months Ended December 31, 2011 206 million yen (-99.3%)

	Net income per share	Diluted net income per share
	yen	yen
Nine Months Ended December 31, 2012	12.72	—
Nine Months Ended December 31, 2011	4.21	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
Nine Months Ended December 31, 2012	151,547	102,795	65.9
Fiscal year ended March 31, 2012	153,711	102,917	65.3

(Reference) Equity:

As of December 31, 2012 99,920 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	—	10.00	—		
Fiscal year ending March 31, 2013 (forecast)				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 period.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
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: Applicable

(Changes in specified subsidiaries associated with changes in the scope of consolidation)

1 company excluded: TODENTSU Corporation

(2) Application of specific accounting treatments for preparing 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):

December 31, 2012	85,381,866 shares	March 31, 2012	85,381,866 shares
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2) Total number of treasury stock at the end of the period:

December 31, 2012	2,974,205 shares	March 31, 2012	2,976,830 shares
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3) Average number of shares outstanding during the period:

December 31, 2012	82,407,301 shares	December 31, 2011	82,389,581 shares
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*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

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.

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

(1) Qualitative Information on Consolidated Operating Results

The Japanese economy during the nine months ended December 31, 2012 took a path of moderate recovery backed by reconstruction demand, but the outlook remained uncertain due to factors such as declining exports and capital investment due to the effects of prolonged economic stagnation overseas. However, signs of economic recovery are beginning to show, such as the weak yen and high share prices based on expectations in economic measures toward the end of the year.

In the telecommunications sector, while existing fixed broadband services are maturing, telecommunications carriers that are the Company's main clients are entering a new phase of transition requiring the provision of new services to meet diversifying customer needs and support for large volumes of data communication as use of smartphones and tablets increases rapidly.

Under such an environment, the MIRAITS Group is actively expanding its facility management services in the NTT Business, expanding LTE^{*1} facilities and removing obsolete facilities, while building communications between subway stations in the Mobile Business. In the ICT^{*2}/Civil Engineering Business, the Group strived to expand business in a wide range of areas such as design & construction of corporate networks, server monitoring, nationwide Wi-Fi^{*3} projects, and construction of solar power systems such as mega solar.

Furthermore, on October 1 last year, a transition was made from the organization based on three operating companies to two operating companies; MIRAITS Corporation headquartered in Tokyo, and MIRAITS Technologies Corporation headquartered in Osaka. In addition to promoting more unified management of the business of MIRAITS group, efforts were made to strengthen the management base as a "Comprehensive Engineering & Service Company".

In addition, efforts were made to further expand the ICT Business in November through strengthening of the Software Business by making ACTIS Corporation a subsidiary and strengthening sales by acquiring shares in Acronet Co., Ltd.

Regarding consolidated results for the nine months ended December 31, 2012, steady progress centered on the Mobile Business resulted in orders received of 204,192 million yen (a year-on-year increase of 12.4%) and net sales of 178,609 million yen (a year-on-year increase of 16.4%). In terms of profit, improvement in profitability due to the promotion of measures to increase sales and enhance efficiency resulted in operating income 5,723 million yen (a year-on-year increase of 1,205.6%) and ordinary income of 6,435 million yen (a year-on-year increase of 478.1%). Due to an extraordinary loss associated with business restructuring, net income was 1,048 million yen (a year-on-year increase of 202.5%).

*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 ICT: Information and Communication Technology

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

(2) Qualitative Information on Consolidated Financial Position

Total assets at the end of the nine months ended December 31, 2012 decreased by 2,164 million yen compared to the end of the previous fiscal year to 151,547 million yen. This was due primarily to a decrease in accounts receivable-trade, including accounts receivable from completed construction contracts despite an increase in costs on uncompleted construction contracts associated with an increase in the construction account brought forward, and a decrease in cash and deposits due to income taxes and cash dividends paid.

Total liabilities decreased by 2,042 million yen compared to the end of the previous fiscal year to 48,751 million yen. This was due primarily to a decrease in notes payable-trade/accounts payable for construction contracts.

Net assets decreased by 121 million yen compared to the end of the previous fiscal year to 102,795 million yen. This was due primarily to cash dividends paid despite posting a net profit during nine months ended December 31, 2012.

As a result, the equity ratio was 65.9% (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

In the nine months ended December 31, 2012, consolidated subsidiary TODENTSU Corporation was excluded from the scope of consolidation because it was merged by absorption into consolidated subsidiary Daimei Telecom Engineering Corporation with Daimei Telecom Engineering Corporation as the surviving entity on October 1, 2012 (the company name was changed to MIRAIT Corporation on the same day).

(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 third quarter ended December 31, 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.

As a consequence, operating income, ordinary income and net income before taxes each increased 16 million yen respectively compared to the when the previous approach is used.

(4) Additional Information

(Restructuring expenses)

The MIRAIT Group adopted unified payment periods covered by the provision for bonuses from the first quarter ended June 30, 2012 as part of group restructuring. In addition to expenses related to this, the Group recorded other expenses including retirement expenses for noncurrent assets. In total, 3,721 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 December 31, 2012
Assets		
Current assets		
Cash and deposits	20,485	17,701
Notes receivable-trade / Accounts receivable from completed construction contracts	69,546	55,118
Costs on uncompleted construction contracts and others	13,766	28,179
Deferred tax assets	1,504	1,907
Other	2,640	2,634
Allowance for doubtful accounts	-19	-32
Total current assets	107,924	105,508
Noncurrent assets		
Property, plant and equipment		
Buildings and structures (net)	10,879	10,453
Land	17,524	17,513
Construction in progress	24	13
Other (net)	1,663	1,491
Total property, plant and equipment	30,092	29,472
Intangible assets		
Goodwill	596	749
Software	2,482	2,344
Other	219	239
Total intangible assets	3,297	3,333
Investments and other assets		
Investment securities	6,225	6,579
Long-term loans receivable	154	596
Deferred tax assets	2,905	3,146
Lease and guarantee deposits	1,022	1,186
Other	2,302	1,929
Allowance for doubtful accounts	-214	-204
Total investments and other assets	12,396	13,233
Total noncurrent assets	45,787	46,039
Total assets	153,711	151,547

(Millions of yen)

	As of March 31, 2012	As of December 31, 2012
Liabilities		
Current liabilities		
Notes payable-trade / Accounts payable for construction contracts	30,592	25,716
Short-term loans payable	181	418
Current portion of long-term loans payable	—	235
Income taxes payable	799	181
Advances received on uncompleted construction contracts	753	1,837
Provision for loss on construction contracts	135	236
Provision for bonuses	2,257	2,036
Provision for directors' bonuses	77	25
Provision for warranties for completed construction	11	7
Other	3,971	5,586
Total current liabilities	38,781	36,279
Noncurrent liabilities		
Long-term loans payable	44	333
Deferred tax liabilities	245	426
Deferred tax liabilities for land revaluation	44	44
Provision for retirement benefits	9,966	9,862
Provision for directors' retirement benefits	406	475
Asset retirement obligations	70	77
Negative goodwill	806	611
Long-term accounts payable-other	188	146
Other	241	493
Total noncurrent liabilities	12,012	12,471
Total liabilities	50,793	48,751
Net assets		
Shareholders' equity		
Capital stock	7,000	7,000
Capital surplus	25,947	25,947
Retained earnings	68,905	68,305
Treasury stock	-1,622	-1,621
Total shareholders' equity	100,230	99,631
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	286	405
Revaluation reserve for land	-101	-101
Foreign currency translation adjustment	-11	-15
Total accumulated other comprehensive income	173	289
Minority interests	2,513	2,874
Total net assets	102,917	102,795
Total liabilities and net assets	153,711	151,547

(2) Consolidated Quarterly Statements of Income and Comprehensive Income
Nine Months Ended December 31, 2012

(Millions of yen)

	Nine Months Ended December 31, 2011 (from April 1, 2011 to December 31, 2011)	Nine Months Ended December 31, 2012 (from April 1, 2012 to December 31, 2012)
Net sales of completed construction contracts	153,385	178,609
Cost of sales of completed construction contracts	138,853	159,115
Gross profit on completed construction contracts	14,532	19,493
Selling, general and administrative expenses	14,093	13,770
Operating income	438	5,723
Non-operating income		
Interest income	15	20
Dividends income	149	165
Foreign exchange gains	—	14
Amortization of negative goodwill	205	204
Real estate rent	15	27
Surrender value of insurance	161	78
Equity in earnings of affiliates	—	42
Other	155	218
Total non-operating income	702	771
Non-operating expenses		
Interest expenses	5	7
Other	22	51
Total non-operating expenses	27	59
Ordinary income	1,113	6,435
Extraordinary income		
Gain on sales of noncurrent assets	90	262
Gain on sales of investment securities	27	3
Gain on negative goodwill	66	5
Gain on liquidation of investment securities	—	23
Other	18	—
Total extraordinary income	202	294
Extraordinary loss		
Loss on sales of noncurrent assets	62	1
Loss on retirement of noncurrent assets	—	41
Loss on valuation of investment securities	225	16
Impairment loss	—	302
Litigation expenses	140	38
Restructuring expenses	—	3,721
Loss on step acquisitions	0	—
Other	52	306
Total extraordinary loss	481	4,428
Income before income taxes	834	2,301
Income taxes	432	1,042
Income before minority interests	402	1,259
Minority interests in income	55	210
Net income	346	1,048
Minority interests in income	55	210
Income before minority interests	402	1,259
Other comprehensive income		
Valuation difference on available-for-sale securities	-210	119
Revaluation reserve for land	3	—
Share of other comprehensive income of associates accounted for using equity method	10	-3
Total other comprehensive income	-196	115
Comprehensive income	206	1,374
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	151	1,163
Comprehensive income attributable to minority interests	54	210

(3) Notes on Going Concern Assumption

Not Applicable.

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

Nine Months Ended December 31, 2012 (from April 1, 2012 to December 31, 2012)

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