

**Consolidated Financial Results
for the Three Months Ended June 30, 2014
[Japanese GAAP]**

August 1, 2014

Company name: MIRAIT Holdings Corporation
 Stock exchange listing: TSE
 Code number: 1417
 URL: <http://www.mirait.co.jp/>
 Representative: Masatoshi Suzuki, Representative Director and President
 Contact: Manabu Kiriya, Director and General Manager, Finance and Accounting Department
 Phone: +81-3-6807-3124
 Scheduled date of filing quarterly securities report: August 7, 2014
 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, 2014 (April 1, 2014 to June 30, 2014)

(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, 2014	56,915	0.2	2,106	166.3	2,341	131.8	1,559	156.1
Three months ended June 30, 2013	56,780	8.6	791	(32.9)	1,010	(27.3)	609	—

(Note) Comprehensive income:
 Three months ended June 30, 2014 2,107 million yen (82.5%)
 Three months ended June 30, 2013 1,154 million yen (—%)

	Net income per share	Diluted net income per share
Three months ended June 30, 2014	yen 19.18	yen —
Three months ended June 30, 2013	7.39	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of June 30, 2014	167,322	117,092	68.0
As of March 31, 2014	175,992	114,173	63.0

(Reference) Equity: As of June 30, 2014: 113,697 million yen
 As of March 31, 2014: 110,827 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, 2014	—	10.00	—	10.00	20.00
Fiscal year ended March 31, 2015	—				
Fiscal year ending March 31, 2015 (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, 2015 (April 1, 2014 to March 31, 2015)

(% 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	120,000	0.2	3,000	8.3	3,300	5.8	2,200	25.7	27.05
Full year	285,000	2.6	13,000	13.5	13,600	10.9	8,300	15.5	102.05

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

* Notes:

- (1) Changes in significant subsidiaries during the period under review: No
- (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: No
 - 4) Corrections of errors: No
- (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, 2014	85,381,866 shares	March 31, 2014	85,381,866 shares
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- 2) Total number of treasury stock at the end of the period:

June 30, 2014	4,046,755 shares	March 31, 2014	4,046,553 shares
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- 3) Average number of shares outstanding during the period:

June 30, 2014	81,335,258 shares	June 30, 2013	82,406,401 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.

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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, 2014, the Japanese economy showed weakening signs of economic recovery reflecting the recoil from last-minute demand associated with the increase in consumption tax, in addition to the shortage of personnel and high costs such as personal expenses and material costs. However, as the effects dissipate, the economy is expected to gradually recover through a steady improvement in the job situation and the effects of various policies of the government and the Bank of Japan.

In the telecommunications sector, new increase in demand for the wholesale of optical lines was seen as the fixed broadband market matured. Meanwhile, smartphones and tablets have become more widespread in mobile communications, and the telecommunications carriers who are MIRAIT's main clients are focusing on the promotion of use of their services through the implementation of fixed pricing plans and expansion into new usage scenarios. In order to respond to rapidly increasing traffic, these carriers are swiftly building and establishing mobile broadband networks using technologies such as LTE and Wi-Fi access points.

Furthermore, in addition to movements toward the liberalization of the electric power market and environmental and energy issues, there are heightening expectations in the rebuilding of social infrastructure due to the Olympic and Paralympic Games being held in Tokyo in 2020, resulting in significant changes to the environment surrounding the MIRAIT Group.

In order to actively track such changes in the business environment while improving corporate value and achieving sustained growth as a "Comprehensive Engineering & Service Company," the MIRAIT Group has established a three-year medium-term management plan beginning this fiscal year (FY2016 targets: sales of 310,000 million yen, operating income of 17,000 million yen, operating income ratio of 5.5%, ROE of 8% or more), and is actively expanding its scope of business and strengthening its management base.

While the volume of optical works decreased in NTT business, consolidated performance improved in the three months ended June 30, 2014, as orders received were 70,061 million yen (a year-on-year increase of 3.8%) and net sales were 56,915 million yen (a year-on-year increase of 0.2%) due to the expansion of LTE work in the multi-carrier business, the construction of solar power facilities and EV charging equipment in the environmental & social innovation and ICT solution business, and the expansion of large-scale network projects in universities and enterprises. In terms of profit, operating income was 216 million yen (a year-on-year increase of 166.3%), ordinary income was 2,341 million yen (a year-on-year increase of 131.8%) and net income was 1,559 million yen (a year-on-year increase of 156.1%) due to the improvement of profit ratio and reduction of overhead costs.

(2) Qualitative Information on Consolidated Financial Position

Total assets at the end of the first quarter decreased by 8,669 million yen compared to the end of the previous fiscal year to 167,322 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 decreased by 11,588 million yen compared to the end of the previous fiscal year to 50,230 million yen. This was primarily due to a decrease in accounts payable for construction contracts.

Despite dividend payments during the three months ended June 30, 2014, net income was recorded and net assets increased by 2,918 million yen compared to the end of the previous fiscal year to 117,092 million yen.

As a result, the equity ratio was 68.0% (63.0% 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, 2015, there are no changes to the forecast announced on May 9, 2014.

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 three months ended June 30, 2014 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

The Accounting Standard for Retirement Benefits (ASBJ Statement No.26 dated May 17, 2012) and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No.25 dated May 17, 2012) were applied to the provisions shown in the main text of Section 35 of the Accounting Standard for Retirement Benefits and the main text of Section 67 of the Guidance on Accounting Standard for Retirement Benefits from the three months ended June 30, 2014. The method of calculation of retirement benefit obligations and current service costs were revised, the method of determining the period for the estimated amount of retirement benefits was changed from being based on a fixed amount for the period to being based on the calculation of benefits, and the method for determining the period of the bonds forming the basis for determining the discount rate was changed from a method based on the approximated number of average years of service remaining to a method using a single weighted average discount rate reflecting the projected payment period for retirement benefits and the amount for each projected payment period.

The application of the Accounting Standard for Retirement Benefits is governed by the provisional treatment specified in Section 37 of the Accounting Standard for Retirement Benefits, and the impact associated with the change in the method of calculating retirement benefit obligations and current service costs is taken into account in retained earnings as of April 1, 2014.

As a result, the retirement benefit liabilities as of as of April 1, 2014 decreased by 1,479 million yen, retirement benefit assets increased by 1,039 million yen, and retained earnings increased by 1,620 million yen. The impact on operating income, ordinary income and income before income taxes during the three months ended June 30, 2014 is minor.

(4) Additional Information

Transition of the retirement benefits system

In order to make a transition from a defined benefit pension and lump sum retirement payment system to a defined benefit pension system, defined contribution pension system and lump sum retirement payment system in some consolidated subsidiaries, the "Accounting of Transitions Between Retirement Benefit Systems" (Guidance on Accounting for Transfers between Retirement Benefit Plans No. 1 dated January 31, 2002) and the "Practical Solution on Accounting for Transfer between Retirement Benefit Plans" (PITF No.2 dated February 7, 2007) have been applied.

In association with the transition, 516 million yen was recorded as extraordinary income (gain on revision of retirement benefit plan) for the three months ended June 30, 2014.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Assets		
Current assets		
Cash and deposits	17,627	24,794
Notes receivable-trade / Accounts receivable from completed construction contracts	83,296	58,476
Costs on uncompleted construction contracts and others	19,851	24,750
Deferred tax assets	2,550	2,597
Other	2,713	2,653
Allowance for doubtful accounts	(28)	(15)
Total current assets	126,009	113,256
Noncurrent assets		
Property, plant and equipment		
Buildings and structures (net)	10,023	9,868
Land	17,615	17,641
Construction in progress	44	136
Other (net)	1,876	2,009
Total property, plant and equipment	29,559	29,656
Intangible assets		
Goodwill	598	591
Software	2,796	2,675
Other	187	176
Total intangible assets	3,583	3,443
Investments and other assets		
Investment securities	9,409	9,876
Long-term loans receivable	147	173
Net defined benefit asset	3,243	7,643
Deferred tax assets	1,562	743
Lease and guarantee deposits	1,093	1,141
Other	1,616	1,631
Allowance for doubtful accounts	(233)	(243)
Total investments and other assets	16,839	20,966
Total noncurrent assets	49,982	54,066
Total assets	175,992	167,322

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Liabilities		
Current liabilities		
Notes payable-trade / Accounts payable for construction contracts	34,662	24,858
Short-term loans payable	—	167
Current portion of long-term loans payable	64	49
Income taxes payable	2,959	633
Advances received on uncompleted construction contracts	1,388	2,255
Provision for loss on construction contracts	450	363
Provision for bonuses	4,278	2,530
Provision for directors' bonuses	78	30
Provision for warranties for completed construction	14	13
Other	5,678	6,997
Total current liabilities	49,575	37,901
Noncurrent liabilities		
Long-term loans payable	60	53
Deferred tax liabilities	778	1,078
Deferred tax liabilities for land revaluation	44	44
Provision for directors' retirement benefits	175	163
Net defined benefit liability	9,926	8,341
Asset retirement obligations	59	60
Negative goodwill	268	201
Long-term accounts payable-other	329	1,827
Other	600	558
Total noncurrent liabilities	12,243	12,328
Total liabilities	61,818	50,230
Net assets		
Shareholders' equity		
Capital stock	7,000	7,000
Capital surplus	25,947	25,947
Retained earnings	76,775	79,142
Treasury stock	(2,623)	(2,624)
Total shareholders' equity	107,098	109,465
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,971	2,309
Revaluation reserve for land	(101)	(101)
Foreign currency translation adjustment	56	64
Remeasurements of defined benefit plans	1,802	1,959
Total accumulated other comprehensive income	3,729	4,231
Minority interests	3,345	3,395
Total net assets	114,173	117,092
Total liabilities and net assets	175,992	167,322

(2) Consolidated Quarterly Statements of Income and Comprehensive Income

Three Months Ended June 30, 2014

(Millions of yen)

	Three Months Ended June 30, 2013 (From April 1, 2013 to June 30, 2013)	Three Months Ended June 30, 2014 (From April 1, 2014 to June 30, 2014)
Net sales of completed construction contracts	56,780	56,915
Cost of sales of completed construction contracts	51,206	50,104
Gross profit on completed construction contracts	5,574	6,811
Selling, general and administrative expenses	4,783	4,704
Operating income	791	2,106
Non-operating income		
Interest income	3	6
Dividends income	96	110
Amortization of negative goodwill	67	66
Real estate rent	13	5
Surrender value of insurance	65	11
Other	30	67
Total non-operating income	276	266
Non-operating expenses		
Interest expenses	3	1
Foreign exchange losses	32	11
Rent expenses on real estates	10	16
Other	10	1
Total non-operating expenses	56	31
Ordinary income	1,010	2,341
Extraordinary income		
Gain on sales of noncurrent assets	0	—
Gain on sales of investment securities	0	—
Gain on revision of retirement benefit plan	—	516
Other	—	44
Total extraordinary income	0	560
Extraordinary loss		
Loss on retirement of noncurrent assets	39	5
Loss on change in equity	—	62
Other	23	25
Total extraordinary loss	62	93
Income before income taxes	948	2,809
Income taxes	286	1,203
Income before minority interests	662	1,605
Minority interests in income	53	45
Net income	609	1,559
Minority interests in income	53	45
Income before minority interests	662	1,605
Other comprehensive income		
Valuation difference on available-for-sale securities	458	339
Remeasurements of defined benefit plans	—	154
Share of other comprehensive income of associates accounted for using equity method	34	7
Total other comprehensive income	492	501
Comprehensive income	1,154	2,107
(Breakdown)		
Comprehensive income attributable to owners of the parent	1,099	2,061
Comprehensive income attributable to minority interests	55	45

(3) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not Applicable.

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

Three Months Ended June 30, 2014 (from April 1, 2014 to June 30, 2014)

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