

**Consolidated Financial Results
for the Six Months Ended September 30, 2014
[Japanese GAAP]**

October 31, 2014

Company name: MIRAIT Holdings Corporation

Stock exchange listing: TSE

Code number: 1417

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Scheduled date of filing quarterly securities report: November 7, 2014

Scheduled date of commencing dividend payments: December 5, 2014

Availability of supplementary briefing material on quarterly results: available

Schedule of quarterly 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 Six Months Ended September 30, 2014 (April 1, 2014 to September 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	%
Six months ended September 30, 2014	123,138	2.8	5,943	114.2	6,258	100.7	3,939	125.5
Six months ended September 30, 2013	119,746	2.8	2,774	(25.6)	3,117	(26.2)	1,746	—

(Note) Comprehensive income:

Six months ended September 30, 2014 4,963 million yen (102.3%)

Six months ended September 30, 2013 2,453 million yen (—%)

	Net income per share	Diluted net income per share
Six months ended September 30, 2014	yen 48.43	yen —
Six months ended September 30, 2013	21.19	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of September 30, 2014	173,452	119,954	67.1
As of March 31, 2014	175,992	114,173	63.0

(Reference) Equity: As of September 30, 2014: 116,406 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	—	15.00			
Fiscal year ending March 31, 2015 (Forecast)			—	15.00	30.00

(Note) Revision of dividend forecasts from recently announced figures: Applicable
Please refer to our Notice regarding dividends, announced on October 31, 2014

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
Full year	285,000	2.6	13,000	13.5	13,600	10.9	9,200	28.0	113.11

(Note) Revision of forecast of financial results from recently announced figures: 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):

September 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:

September 30, 2014	4,047,483 shares	March 31, 2014	4,046,553 shares
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- 3) Average number of shares outstanding during the period:

September 30, 2014	81,335,034 shares	September 30, 2013	82,406,079 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 six months ended September 30, 2014, the Japanese economy showed weakening signs of economic recovery reflecting delays in the recovery of consumer spending and the shortage of personnel and high costs in companies such as personnel expenses and material costs, despite drawing clear of the decline caused by the increase in consumption tax. However, as the effects gradually 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 increases in demand for wholesaling of optical lines are 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 through the implementation of fixed pricing plans and expansion into new usage situations. In order to respond to rapidly increasing traffic, these carriers are swiftly building and establishing broadband mobile networks 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 partly 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 margin of 5.5%, ROE of 8% or more), and is actively expanding its scope of business and strengthening its management base.

Although large-scale work and everyday work in the NTT business decreased during the six months ended September 30, 2014, the MIRAIT Group aimed to establish a system for work matching sales, and has been engaged in business reforms such as shifting personnel to growing businesses and consolidating offices. In the multi-carrier business, in order to enhance its profit margin, the group worked on measures to improve productivity such as internalizing work, strengthen ties with subsidiaries and utilize business support tools to respond to increasing small-scale projects such as LTE. In the environmental & social innovation and ICT solution business, MIRAIT worked build solar power facilities, install EV charging equipment, and expand large-scale network work in universities and enterprises. In an effort to expand business in Australia, MIRAIT Technologies Australia Pty. Limited was made into a consolidated subsidiary.

Consequently, in the consolidated business performance during the six months ended September 2014, orders received amounted to 148,114 million yen (7.4% increase year-on-year) and net sales were 123,138 million yen (2.8% increase year-on-year). In terms of profit, operating income was 5,943 million yen (a year-on-year increase of 114.2%), ordinary income was 6,258 million yen (a year-on-year increase of 100.7%) and net income was 3,939 million yen (a year-on-year increase of 125.5%).

(2) Qualitative Information on Consolidated Financial Position

Total assets at the end of the first quarter decreased by 2,540 million yen compared to the end of the previous fiscal year to 173,452 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 8,321 million yen compared to the end of the previous fiscal year to 53,497 million yen. This was due primarily 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 5,780 million yen compared to the end of the previous fiscal year to 119,954 million yen.

As a result, the equity ratio was 67.1% (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, the initial forecast for net income has been revised upwards by 900 million yen to 9,200 million yen due to factors such as extraordinary income associated with the revision of the retirement benefit system.

Net sales, operating income and ordinary income are expected to be 285,000 million yen, 13,000 million yen and 13,600 million yen as initially forecast.

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 second quarter ended September 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 therelevant 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

Changes in 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 Standard for Retirement Benefit 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 changes in the system, 516 million yen was recorded as extraordinary income (gain on revision of retirement benefit plan) for the six months ended September 30, 2014.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 31, 2014	Six Months Ended September 30, 2014
Assets		
Current assets		
Cash and deposits	17,627	29,712
Notes receivable-trade / Accounts receivable from completed construction contracts	83,296	55,206
Costs on uncompleted construction contracts and others	19,851	28,365
Deferred tax assets	2,550	2,623
Other	2,713	3,071
Allowance for doubtful accounts	(28)	(13)
Total current assets	126,009	118,966
Noncurrent assets		
Property, plant and equipment		
Buildings and structures (net)	10,023	9,762
Land	17,615	17,890
Construction in progress	44	268
Other (net)	1,876	1,958
Total property, plant and equipment	29,559	29,880
Intangible assets		
Goodwill	598	538
Software	2,796	2,557
Other	187	164
Total intangible assets	3,583	3,260
Investments and other assets		
Investment securities	9,409	10,729
Long-term loans receivable	147	139
Net defined benefit asset	3,243	7,430
Deferred tax assets	1,562	539
Lease and guarantee deposits	1,093	1,171
Other	1,616	1,564
Allowance for doubtful accounts	(233)	(230)
Total investments and other assets	16,839	21,344
Total noncurrent assets	49,982	54,485
Total assets	175,992	173,452

(Millions of yen)

	Fiscal Year Ended March 31, 2014	Six Months Ended September 30, 2014
Liabilities		
Current liabilities		
Notes payable-trade / Accounts payable for construction contracts	34,662	26,931
Short-term loans payable	—	145
Current portion of long-term loans payable	64	37
Income taxes payable	2,959	2,088
Advances received on uncompleted construction contracts	1,388	2,242
Provision for loss on construction contracts	450	245
Provision for bonuses	4,278	4,421
Provision for directors' bonuses	78	33
Provision for warranties for completed construction	14	13
Other	5,678	5,259
Total current liabilities	49,575	41,418
Noncurrent liabilities		
Long-term loans payable	60	47
Deferred tax liabilities	778	1,125
Deferred tax liabilities for land revaluation	44	44
Provision for directors' retirement benefits	175	187
Net defined benefit liability	9,926	8,125
Asset retirement obligations	59	60
Negative goodwill	268	134
Long-term accounts payable-other	329	1,799
Other	600	553
Total noncurrent liabilities	12,243	12,078
Total liabilities	61,818	53,497
Net assets		
Shareholders' equity		
Capital stock	7,000	7,000
Capital surplus	25,947	25,947
Retained earnings	76,775	81,522
Treasury stock	(2,623)	(2,624)
Total shareholders' equity	107,098	111,844
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,971	2,752
Revaluation reserve for land	(101)	(101)
Foreign currency translation adjustment	56	(22)
Remeasurements of defined benefit plans	1,802	1,933
Total accumulated other comprehensive income	3,729	4,562
Minority interests	3,345	3,547
Total net assets	114,173	119,954
Total liabilities and net assets	175,992	173,452

(2) Consolidated Quarterly Statements of Income and Comprehensive Income
Six Months Ended September 30, 2014

	(Millions of yen)	
	Six Months Ended September 30, 2013 (From April 1, 2013 to September 30, 2013)	Six Months Ended September 30, 2014 (From April 1, 2014 to September 30, 2014)
Net sales of completed construction contracts	119,746	123,138
Cost of sales of completed construction contracts	107,679	107,715
Gross profit on completed construction contracts	12,067	15,422
Selling, general and administrative expenses	9,292	9,479
Operating income	2,774	5,943
Non-operating income		
Interest income	9	10
Dividends income	97	111
Amortization of negative goodwill	134	132
Real estate rent	13	17
Surrender value of insurance	74	38
Equity in earnings of affiliates	15	18
Other	64	66
Total non-operating income	410	396
Non-operating expenses		
Interest expenses	7	8
Foreign exchange losses	33	2
Rent expenses on real estates	11	31
Other	14	38
Total non-operating expenses	67	81
Ordinary income	3,117	6,258
Extraordinary income		
Gain on sales of investment securities	2	16
Gain on revision of retirement benefit plan	-	516
Other	0	47
Total extraordinary income	2	579
Extraordinary loss		
Loss on retirement of noncurrent assets	41	8
Loss on change in equity	-	45
Litigation expenses	2	-
Other	32	34
Total extraordinary loss	76	88
Income before income taxes	3,044	6,750
Income taxes	1,143	2,622
Income before minority interests	1,901	4,128
Minority interests in income	154	189
Net income	1,746	3,939

(Millions of yen)

	Six Months Ended September 30, 2013 (From April 1, 2013 to September 30, 2013)	Six Months Ended September 30, 2014 (From April 1, 2014 to September 30, 2014)
Minority interests in income	154	189
Income before minority interests	1,901	4,128
Other comprehensive income		
Valuation difference on available-for-sale securities	536	784
Foreign currency translation adjustment	-	(1)
Remeasurements of defined benefit plans	-	128
Share of other comprehensive income of associates accounted for using equity method	15	(77)
Total other comprehensive income	552	834
Comprehensive income	2,453	4,963
(Breakdown)		
Comprehensive income attributable to owners of the parent	2,295	4,771
Comprehensive income attributable to minority interests	157	191

(3) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not Applicable.

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

Six Months Ended September 30, 2014 (from April 1, 2014 to September 30, 2014)

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